11/25/80   C 3475-1

How to assign data processing priorities—*Page 22*

PROFITABLE FACTS, TRENDS, IDEAS, PRODUCTS FOR THE GROCERY INDUSTRY

Supermarket Business

FORMERLY SUPERMARKETING

Inside this issue...

- **Remodel? Expand? Relocate? How to Decide —Page 24**
- **20 Merry Ideas For Happy Sales—Page 20**
- **Consumers Drink 400 Soft Drinks Each—Page 6**

NOVEMBER, 1980

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Shopping Giant
GIANT
test store
warehouse values

GIANT FOOD, INC. TESTS A "HYBRID" WAREHOUSE-TYPE STORE: Flexible and adjustable shelving allows Giant to accommodate a wide variety of "superstore" merchandise with a "warehouse" store look. Selection of groceries is cut to 5,000 items, but in all other respects it's a Giant food/drug combo. See pages 14-15.

Generics Still Gaining, Says SAMI Data

by Ken Partch, editor

Generic labels are selling briskly in this recession year of 1980, and show no signs of having reached a plateau, either in terms of market share or in total sales.

In addition, according to a new study by Selling Areas Marketing Inc. (SAMI), the plain wraps continue to grow in the number of new categories now offering them, and in the number of food operator warehouses carrying them.

See pages 9-12 for share gains and performance comparisons

When it comes to market share, or market penetration, both regular private labels and brands are showing losses, while generics are gaining.

And, for the first time since SAMI began its analysis of generic label performance in 1978, generic penetration gains are coming more from the "all other brands" segment of the reportable dry grocery-food categories than from "regular private labels," as SAMI classifies these segments of the total category performance.

It should be pointed out, however, that most generics perform best in commodity-type categories, whereas most brands offer a much broader mix of sizes, flavors and specialty-type products.

Rising prices are also an underlying factor giving generics greater appeal

■ *Continued on page 8*

Data Without Scanner Is Minicomputer Goal

by Robert D. Rauch, assistant editor

An affordable, easy-to-use minicomputer system is being developed by Connecticut food wholesaler Bozzuto's Inc. to help its retailers compete more effectively with large supermarket chains.

The system will permit the grocers to store and use a wide range of sales, financial and product data. Capabilities also include extensive evaluation of vendor activities and an advertising planning system—features that can give the retailer greater control over costs in these areas.

Used properly, the system can add from one-half to one percent to a store's grocery gross profit, claims Donald Zagar, vice president and director of management information service for Bozzuto's.

The cost savings would result from more complete and immediate knowledge of retail sales volume, wholesale costs and advertising effectiveness. Although scan data would add even more detail on sales of individual products, the system is designed mostly for retailers whose volume does not justify the tremendous cost of scanning equipment.

These savings, Zagar says, will pay for the equipment and related service contracts in less than two years on grocery volumes as low as $25,000 per week. The total system package is designed to cost the retailer about $10,000, says Zagar, who developed the system for the Cheshire (Conn.) wholesaler.

But retailers who choose to rent rather than buy could lease the system for under $100 per week.

The minicomputer system will provide the grocer with many of the capabilities of Bozzuto's large IBM computer. But the smaller system offers the retailer faster access to data, more flexibility in manipulating it,

■ *Continued on page 16*

3rd
Store Planners'
Equipment Directory

Presenting
twenty pages of what's what
by who's who in
equipment manufacturing
for the grocery industry.

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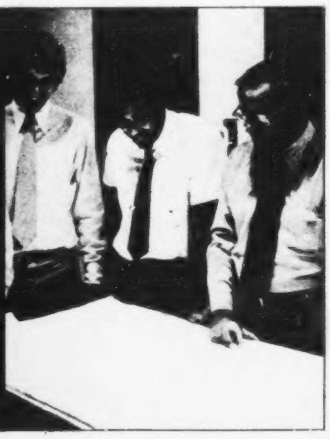

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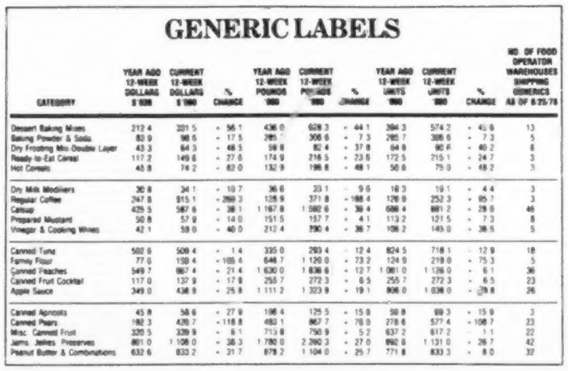
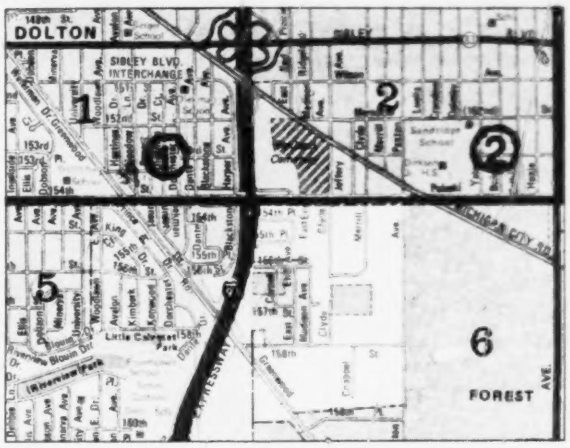


GENERIC LABELS

CATEGORY	YEAR AGO 12-WEEK DOLLARS $'000	CURRENT 12-WEEK DOLLARS $'000	% CHANGE	YEAR AGO 12-WEEK POUNDS '000	CURRENT 12-WEEK POUNDS '000	% CHANGE	YEAR AGO 12-WEEK UNITS '000	CURRENT 12-WEEK UNITS '000	% CHANGE	NO. OF FOOD OPERATOR WAREHOUSES SHIPPING GENERICS AS OF 8/25/78
Dessert Baking Mixes	212.4	331.5	+ 56.1	436.0	628.3	+ 44.1	394.3	574.2	+ 45.6	13
Baking Powder & Soda	83.9	98.6	+ 17.5	285.7	306.6	+ 7.3	285.7	306.6	+ 7.3	5
Dry Frosting Mix-Double Layer	43.3	64.3	+ 48.5	59.8	82.4	+ 37.8	64.6	90.6	+ 40.2	8
Ready-to-Eat Cereal	117.2	149.6	+ 27.6	174.9	216.5	+ 23.8	172.5	215.1	+ 24.7	3
Hot Cereals	45.8	74.2	+ 62.0	132.9	196.8	+ 48.1	50.6	75.0	+ 48.2	3
Dry Milk Modifiers	30.8	34.1	+ 10.7	36.6	33.1	− 9.6	18.3	19.1	+ 4.4	3
Regular Coffee	247.8	915.1	+ 269.3	128.9	371.8	+ 188.4	128.9	252.3	+ 95.7	3
Catsup	425.5	587.6	+ 38.1	1 167.8	1 592.6	+ 36.4	686.4	881.2	+ 28.8	46
Prepared Mustard	50.8	57.9	+ 14.0	151.5	157.7	+ 4.1	113.2	121.5	+ 7.3	8
Vinegar & Cooking Wines	42.1	59.0	+ 40.0	212.4	290.4	+ 36.7	106.2	145.0	+ 36.5	5
Canned Tuna	502.6	509.4	+ 1.4	335.0	293.4	− 12.4	824.5	718.1	− 12.9	18
Family Flour	77.6	158.4	+ 105.4	646.7	1 120.0	+ 73.2	124.9	218.0	+ 75.3	5
Canned Peaches	549.7	667.4	+ 21.4	1 630.0	1 836.6	+ 12.7	1 061.0	1 126.0	+ 6.1	36
Canned Fruit Cocktail	117.0	137.9	+ 17.9	255.7	272.3	+ 6.5	255.7	272.3	+ 6.5	23
Apple Sauce	349.0	438.9	+ 25.8	1 111.2	1 323.9	+ 19.1	806.0	1 036.0	+ 28.8	26
Canned Apricots	45.8	58.6	+ 27.9	108.4	125.5	+ 15.8	58.8	69.3	+ 15.9	3
Canned Pears	192.3	420.7	+ 118.8	483.1	867.7	+ 79.6	278.6	577.4	+ 108.7	23
Misc. Canned Fruit	320.5	339.9	+ 6.1	713.8	750.9	+ 5.2	637.2	617.2	− 1.1	22
Jams, Jellies, Preserves	801.0	1 108.0	+ 38.3	1 780.0	2 260.3	+ 27.0	892.6	1 131.0	+ 26.7	42
Peanut Butter & Combinations	632.6	833.2	+ 31.7	878.2	1 104.0	+ 25.7	771.8	833.3	+ 8.0	32

SOEZUTOS 1900



Editor's View

Tired of talk of the future?

by Ken Partch

Futurology is big business these days, with hardly an institution worthy of the name without its own think tank or at least access to an econometric model or two. Even the government does it, and you know what its record with the future has been. Nobel prizes are awarded to inventors of these models, which cannot tell us whether we are in a recession, have been, or are now out. We are either at the bottom, on the upside, or about to be on what may have been one of the shortest-lived dips in the economic curves ever witnessed—assuming it ever happened.

What's so amazing about this growth of futurology business is that its performance, if measured in terms of predicting the future accurately, is so dismal. The Bureau of Census can't even predict the population. What it does is give you a series of "fertility" curves and says take your pick. We were still building schools and hiring batches of teachers for secondary and elementary schools when suddenly we began having a lot of empty seats. The airlines had built those enormous fuel-guzzling widebodies when suddenly there was a shortage of fuel to run them and a shortage of passengers to ride in them.

Sometimes business gets so annoyed with the future, that, like the auto industry, it says: "God damn it, the problem is those damn foreign cars that everybody's buying." It's like Yogi Berra's evaluation of the future of a well-known restaurant: "It's so crowded, nobody goes there anymore."

And so it is with the food business. It wasn't too long ago that if you asked any number of supermarket operators what they thought of the future in terms of products or stores that a vast majority would have told you that the future was in superstores, and that generic labels would never amount to a hill of beans—generic or otherwise.

Well, if the incipient future can be found in tiny indices of trends in the present (and sometimes it can), then one should monitor the growth curves of generics and the many varieties of warehouse and limited assortment stores carefully. In this issue, SAMI reports that generic labels have yet to

■ *Continued on page 5*

Supermarket Business

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Average Consumer Drank Nearly 400 Soft Drinks in 1979; Cans Remain Most Popular Container, Winning 42.5% of Sales

American consumers drank an average of 399.6 12-ounce containers of soft drinks per capita in 1979, as unit sales rose 3.4 percent. Total gallons consumed climbed 5.0 percent per capita.

Cans were the most popular container, comprising 42.5 percent of sales, followed by refillables (33.8 percent), plastic bottles (14.6 percent) and one-way glass bottles (9.1 percent).

These highlights are from the National Soft Drink Association's 1979 sales survey of the soft drink industry. The annual survey also reviews trends in bulk and packaged sales, flavor mix and distribution. Regional analysis of soft drink trends is also provided.

Although soft drink sales growth has slowed somewhat from previous years, marketing of new or modified products has helped the industry broaden its consumer base, says NSDA's Kenneth A. Doyle, manager, state and local affairs.

"There's been a shift in the preference of the American people from hot, heavy beverages to lighter beverages," Doyle reports.

Popularity of beverages such as club soda and sparkling water is one example of this trend, Doyle explains.

"Packaging innovations have also helped soft drink sales in food stores," Doyle says. "The two-liter plastic bottle has helped people take a lightweight container with a lot of product home with them," he adds.

Another trend Doyle observes is the growing availability of non-carbonated beverages from soft drink bottlers. These drinks are coming on strong to compete with their canned rivals on supermarket shelves, he says.

SOFT DRINK SALES BY FLAVOR—1979

Regular	**(86.6%)**
Cola	60.6%
Lemon-Lime	13.9
Pepper Type	6.7
Orange	3.9
Root Beer	2.6
Non-Carbonated	1.5
Grape	1.4
Ginger Ale	.8
Other	8.6
Diet	**(13.4%)**
Cola	58.3%
Lemon-Lime	18.1
Other	23.6

COLA IS STILL KING of soft drinks, but flavors such as lemon-lime are growing according to 1979 soft drink survey.

Stop & Shop 'Pleased' With Price Program

Several weeks into its new "price accuracy guarantee" program, Stop & Shop Supermarket Company said it was "pleased" with the results of the program so far.

Under the program, any customer who discovers an item marked higher than the advertised sale price is given one free unit of that item on the spot.

Larry Parnell, Stop & Shop's public relations director, said the chain's 146 supermarkets had each been averaging only about $6 a day in free items to shoppers. "We feel that's a pretty good percentage," Parnell said.

The PR director said the company, which operates stores in New York, New Jersey and New England, had undertaken the new policy after research showed that price accuracy ranked second only to value for the dollar in terms of importance to consumers.

The new program broke the week of August 24 with heavy radio and television advertising, plus a centerfold banner headline in the chain's four-page newspaper advertising insert.

Parnell said the heavy advertising and publicity given to the new policy had made consumers highly sensitive to any discrepancies between advertised prices and shelf prices. He said they were checking all prices "very carefully." Stop & Shop features about 200 weekly specials out of the 12,000 to 20,000 items that each of its stores carries.

Industry reaction to the new policy has been one of "surprise," Parnell said, since none of Stop & Shop's stores are equipped with scanners. "We're strictly depending on the caliber of our employees" to keep prices accurate, he said. ■

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THEY'LL RING UP AN EVEN BIGGER PROFIT THIS YEAR.

At 30.8%, the average gross margin on pimiento-stuffed green olives from Spain is even higher than before. Spanish Stuffed Green Olives make a big impact on your profits, especially during the holiday season when demand is at a peak.

It Pays To Display

86% of the people who buy green olives do it on an impulse. So even simple displays—posters, recipe sheets, or shelf reminders—make it easier for you to enjoy the extra holiday profits you earn with Spanish Stuffed Green Olives.

Win A Vacation In Spain

Another good reason to display Spanish Stuffed Green Olives is our "Fiesta Sevilla II" retail display contest. Display them for at least a week between Nov. 1 and Dec. 15, 1980. Then send us a picture of your display, no larger than 8" x 10", and you could win a ten-day vacation for two in Spain. Or $2,500.

For an official entry kit write Spanish Green Olive Commission, Room 1800, 866 Third Ave., N.Y., N.Y. 10022. Or ask your Spanish Olive representative.

Display Spanish Stuffed Green Olives and see how easy it is to turn olive green into American green all year long.

SPANISH OLIVES

The Best Olives In The World

Generic Labels: Commodity-type Products Selling Best

Generics' steady food share gains are now coming at the expense of brand items; among non-foods, regular private label is most affected by plain wraps' persisting popularity with penny-pinched shoppers.

BASICS
PAPER TOWELS

■ *Continued from page 1*

as the price spread between brands, private labels and generics continues to widen.

This is not to say that every generic label category performs equally well. Among the 59 reportable dry grocery-food categories covered in the report, for the 12-week period ending May 2, 1980, as compared with a year ago, for a constant base of food operators, eight categories of generic labels suffered losses in market share of at least two share points for the current period. These categories are charted below:

Category	Generic Label Share Points Decline Vs. Year Ago
Breakfast Drink Mixes	−20.8
Canned potatoes	−10.5
Canned wax beans	− 5.9
Pepper	− 4.5
Single strength juice drinks	− 2.5
Canned beets	− 2.5
Grapefruit juice	− 2.3
Apple juice	− 2.2

No Imminent Demise

Nevertheless, those who predicted an early demise for generic labels will have to wait longer, it seems, as generics take on more than a flash-in-the-pan pattern of performance.

For the 59 food categories combined, generic labels showed gains in dollar volume, pounds and units for the first quarter of 1980.

In dollar volume, generics were up 30.1 percent in the combined total, while pounds increased 20.9 percent, and unit sales were up 19.1 percent.

These gains are impressive when compared with regular private labels (excluding generics) and "all other brands," as termed by SAMI.

Private labels showed dollar volume increases of only 3.4 percent, while "all other brands" increased dollar sales by 7.3 percent.

However, actual product movement in terms of pounds and units shows that regular private labels declined by 0.7 in pounds "all other brands" performance was flat in pounds, while private labels and brands both declined in unit sales, 0.3 percent and 1.7 percent, respectively. (*See Table I.*)

Share of market figures tell a similar story. For the 59 dry grocery-food categories combined, generics increased their market share in all measures of performance—dollar volume, pounds and units.

Both regular private labels dropped 0.3 percent, while brands dropped 1.6 percent, in share. Generics showed a gain in unit share of 1.9 percent, during the current period.

Thus, for the first time since 1978, generic labels' share has increased at the expense of "all other brands" share—rather than the private label share—(*See Table II*) although both have suffered.

Price Difference Key

Price differentials undoubtedly are connected to the increasing gains in market share for generics. During the 12-week 1980 period, prices of generic labels were 42.3 percent below prices of "all other brands," while regular private labels were 34.8 percent below brands.

The number of supermarket operators handling generics since the 1978

■ *Continued on page 11*

Here's How to Interpret SAMI's Data on Generics

The SAMI report on generic label performance is prepared in two separate phases: **Phase I** is a constant base, **Phase II** is cumulative and current. **Phase I**, a constant base of food operators is compared for a limited number of generic labels which are reportable for a full year, and for a similar reporting period a year ago.

This constant base was established for the 12-week period ending in this period and one year ago.

This phase of the report provides an accurate comparability in terms of category-by-category performance and share of market among the same food operators for both years.

Phase II reports the current generic performance for the total universe of generic labels which were reportable for a full year, regardless of the number of operators reporting. In this phase there were 92 reportable dry grocery—food categories and 27 non foods categories which were tracked for a full year. Naturally, the number of food operators reporting is variable for individual product categories.

SAMI is now tracking 20 frozen food categories and nine refrigerated product categories with generics. Refrigerated meat categories were not monitored by SAMI until September, 1979. Naturally, the number of food operators reporting again is variable for individual product categories.

The complete SAMI Special Report on Generic Labels is available by writing on company letterhead to: Alan B. Miller, Jr., vice president, Sales Services, SAMI, c/o SUPERMARKET BUSINESS 1515 Broadway, New York, N.Y. 10036.

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SPECIAL SAMI STUDY
PENETRATION & TRENDS
OF GENERIC LABELS

12-WEEK COMPARISON OF VOLUME vs. YEAR AGO
PERIOD ENDING MAY 2, 1980 vs. MAY 4, 1979

CONSTANT BASE

	GENERIC LABELS										REGULAR PRIVATE LABELS									ALL OTHER BRANDS								
CATEGORY	YEAR AGO 12-WEEK DOLLARS $'000	CURRENT 12-WEEK DOLLARS $'000	% CHANGE	YEAR AGO 12-WEEK POUNDS '000	CURRENT 12-WEEK POUNDS '000	% CHANGE	YEAR AGO 12-WEEK UNITS '000	CURRENT 12-WEEK UNITS '000	% CHANGE	NO. OF FOOD OPERATOR WAREHOUSES SHIPPING GENERICS AS OF 8/25/78	YEAR AGO 12-WEEK DOLLARS $'000	CURRENT 12-WEEK DOLLARS $'000	% CHANGE	YEAR AGO 12-WEEK POUNDS '000	CURRENT 12-WEEK POUNDS '000	% CHANGE	YEAR AGO 12-WEEK UNITS '000	CURRENT 12-WEEK UNITS '000	% CHANGE	YEAR AGO 12-WEEK DOLLARS $'000	CURRENT 12-WEEK DOLLARS $'000	% CHANGE	YEAR AGO 12-WEEK POUNDS '000	CURRENT 12-WEEK POUNDS '000	% CHANGE	YEAR AGO 12-WEEK UNITS '000	CURRENT 12-WEEK UNITS '000	% CHANGE
Dessert Baking Mixes	212.4	331.5	+ 58.1	436.0	628.3	+ 44.1	394.3	574.2	+ 45.6	13	417.2	418.0	+ .2%	751.6	702.6	- 6.5%	640.3	604.2	-45.6%	5,403.0	5,769.0	+ 6.8	7,056.2	7,138.9	+ 1.2	6,168.0	6,138.0	- .5
Baking Powder & Soda	83.9	98.6	+ 17.5	285.7	306.6	+ 7.3	285.7	306.6	+ 7.3	5	12.5	5.4	-56.8	39.8	13.6	-65.8	28.1	6.8	-75.8	190.8	232.4	+21.8	361.3	432.2	+19.6	366.3	403.1	+10.0
Dry Frosting Mix-Double Layer	43.3	64.3	+ 48.5	59.8	82.4	+ 37.8	64.6	90.6	+ 40.2	6	31.9	25.4	-20.4	33.5	25.0	-25.4	38.9	29.0	-25.4	172.6	161.3	- 6.5	128.6	110.0	-14.5	160.6	138.3	-13.9
Ready-to-Eat Cereal	117.2	149.6	+ 27.6	174.9	216.5	+ 23.8	172.5	215.1	+ 24.7	3	158.5	193.4	+22.0	196.1	193.0	- 1.6	169.1	169.4	+ 1.8	5,784.0	6,498.0	+12.3	5,171.6	5,220.1	+ .9	5,912.0	5,719.0	- 3.3
Hot Cereals	45.8	74.2	+ 62.0	132.9	196.8	+ 48.1	50.6	75.0	+ 48.2	3	—	—	—	—	—	—	—	—	—	654.4	739.9	+13.1	917.6	889.3	- 3.1	831.6	820.2	- 1.4
Dry Milk Modifiers	30.8	34.1	+ 10.7	36.6	33.1	- 9.6	18.3	19.1	+ 4.4	3	101.8	84.4	-17.1	103.0	72.9	-29.2	66.1	52.2	-20.0	315.4	370.6	+17.5	185.4	203.5	+ 9.8	203.7	221.6	+ 8.8
Regular Coffee	247.8	915.1	+269.3	128.9	371.8	+188.4	128.9	252.3	+ 95.7	3	491.4	448.8	- 8.9	220.3	142.7	-35.2	131.5	78.8	-40.1	7,343.0	8,531.0	+16.2	2,934.9	2,529.1	-13.8	1,822.0	1,708.0	- 6.3
Catsup	425.5	587.6	+ 38.1	1,167.8	1,592.6	+ 36.4	688.4	881.2	+ 28.0	46	833.8	818.8	- 1.8	1,889.7	1,782.8	- 5.7	1,390.0	1,259.0	- 9.4	5,784.0	6,341.0	+ 9.6	10,832.9	11,334.2	+ 4.6	7,304.0	7,129.0	- 2.4
Prepared Mustard	50.8	57.9	+ 14.0	151.5	157.7	+ 4.1	113.2	121.5	+ 7.3	8	41.9	42.8	+ 2.1	109.3	95.9	-12.3	107.7	99.5	- 7.7	511.4	546.1	+ 6.8	834.3	781.4	- 6.3	1,130.0	1,013.0	-10.4
Vinegar & Cooking Wines	42.1	59.0	+ 40.0	212.4	290.4	+ 36.7	106.2	145.0	+ 36.5	5	35.6	45.0	+26.4	146.1	164.4	+12.5	62.1	68.2	- 9.8	233.6	284.3	+21.7	762.8	858.9	+12.6	451.6	471.8	+ 4.5
Canned Tuna	502.6	509.4	+ 1.4	335.0	293.4	- 12.4	824.5	718.1	- 12.9	18	1,842.0	1,539.0	-16.4	1,059.2	768.6	-27.4	2,357.0	1,714.0	-27.3	12,371.0	13,040.0	+ 5.4	5,917.1	5,585.1	- 5.6	13,811.0	12,988.0	- 6.0
Family Flour	77.6	159.4	+105.4	646.7	1,120.0	+ 73.2	124.9	219.0	+ 75.3	5	196.8	197.6	+ .4	1,463.3	1,061.6	-27.5	262.9	199.9	-24.0	773.7	982.6	+12.7	3,604.5	4,101.0	+13.8	641.4	742.3	+15.7
Canned Peaches	549.7	667.4	+ 21.4	1,630.0	1,836.6	+ 12.7	1,061.0	1,126.0	+ 6.1	36	2,060.0	2,087.0	+ 1.3	5,052.1	4,763.4	- 5.7	3,678.0	3,583.0	- 2.6	2,900.0	2,777.0	- 4.5	6,589.0	5,881.0	-10.7	5,232.0	4,685.0	-10.5
Canned Fruit Cocktail	117.0	137.9	+ 17.9	255.7	272.3	+ 6.5	256.7	272.3	+ 6.5	23	866.3	921.4	+ 6.4	03.3	1,863.4	+ 3.3	1,734.0	1,757.0	+ 1.3	1,512.0	1,419.0	- 6.2	2,883.5	2,557.2	-11.3	2,879.0	2,593.0	-10.0
Apple Sauce	349.0	438.9	+ 25.8	1,111.2	1,323.9	+ 19.1	806.0	1,038.0	+ 28.8	26	711.9	791.1	+11.1	,670.7	2,011.8	+ 7.5	1,306.0	1,288.0	- 1.3	1,948.0	2,027.0	+ 4.1	4,386.4	4,172.7	- 4.9	3,035.0	2,791.0	- 8.8
Canned Apricots	45.8	58.6	+ 27.9	108.4	125.5	+ 15.8	59.8	69.3	+ 15.9	3	124.3	56.6	-54.5	230.8	81.9	-64.5	174.8	83.8	-52.1	14.6	21.7	+48.6	23.0	29.2	+27.0	21.2	28.3	+33.5
Canned Pears	192.3	420.7	+118.8	493.1	867.7	+ 76.0	276.6	577.4	+108.7	23	627.2	584.3	- 6.8	1,198.8	1,043.1	-13.0	1,041.0	905.1	-13.1	576.6	591.9	+ 2.7	1,011.5	997.3	- 1.4	902.5	892.5	- 1.1
Misc. Canned Fruit	320.5	339.9	+ 6.1	713.8	750.9	+ 5.2	637.2	617.2	- 1.1	22	242.4	224.4	- 7.4	542.4	422.3	-22.1	498.7	391.5	-20.2	562.2	555.0	- 1.3	766.5	685.6	-10.6	766.5	700.1	- 8.7
Jams, Jellies, Preserves	801.0	1,108.0	+ 38.3	1,780.0	2,260.3	+ 27.0	892.6	1,131.0	+ 26.7	42	1,618.0	1,778.0	+ 9.9	1,996.3	1,978.4	- .9	1,709.0	1,687.0	- 1.3	5,781.0	6,351.0	+ 9.9	6,754.5	6,821.3	+ 1.0	5,573.0	5,560.0	- .2
Peanut Butter & Combinations	632.6	833.2	+ 31.7	878.2	1,104.0	+ 25.7	771.8	833.3	+ 8.0	32	1,435.0	1,554.0	+ 8.3	1,671.6	1,706.5	+ 2.1	1,042.0	1,071.0	+ 2.8	6,620.0	6,951.0	+ 5.0	6,123.1	6,006.7	- 1.9	4,742.0	4,623.0	- 2.5
Tomato Juice	134.9	155.4	+ 15.2	662.7	750.2	+ 13.2	230.5	260.9	+ 13.2	16	144.9	176.4	+21.7	572.7	667.5	+16.6	291.5	345.1	+14.4	816.6	717.0	-12.2	2,770.1	2,116.5	-23.6	2,392.0	2,041.0	-14.7
Grapefruit Juice	276.6	299.7	+ 8.4	1,332.0	1,192.5	- 10.5	463.3	414.8	- 10.5	10	311.9	442.9	+42.0	1,127.5	1,300.7	+15.4	876.8	1,105.0	+26.0	749.3	850.7	+13.5	2,376.3	2,247.7	- 5.4	2,075.0	1,674.0	-19.3
Apple Juice	171.2	165.3	- 3.5	685.5	629.7	- 8.1	227.0	157.4	- 30.7	5	854.2	730.8	-14.4	2,478.9	2,173.8	-12.3	780.0	699.4	-10.3	1,130.0	1,696.0	+50.0	3,137.0	4,402.1	+40.3	1,480.0	1,790.0	+20.9
Lemon & Lime Juice	134.3	154.9	+ 15.3	481.4	418.1	- 13.2	240.7	209.0	- 13.2	4	—	—	—	—	—	—	—	—	—	209.4	246.3	+17.6	428.5	384.4	-15.0	350.5	321.2	- 8.4
Single Strength Juice Drinks	418.5	540.7	+ 29.2	2,342.3	2,841.0	+ 21.3	834.9	974.7	+ 16.7	7	625.2	492.4	-21.2	3,727.3	3,029.8	-18.7	1,078.0	787.8	-26.9	3,201.0	3,545.0	+10.7	13,091.4	13,479.1	+ 3.0	5,462.0	5,708.0	+ 4.5
Pasta	310.8	489.0	+ 57.3	858.7	1,089.2	+ 26.8	787.8	1,026.0	+ 30.2	15	830.7	943.6	-13.6	1,845.6	1,686.9	- 8.6	1,698.0	1,507.0	-11.2	4,666.0	5,328.0	+14.1	7,701.5	7,313.8	- 5.0	8,652.0	8,236.0	- 4.8
Evaporated & Condensed Milk	176.3	196.4	+ 11.4	436.9	454.1	+ 3.9	482.1	501.1	+ 3.9	4	57.6	72.3	+25.5	122.6	141.4	+15.3	146.7	164.5	+12.1	464.5	443.6	- 4.5	881.0	743.8	-15.6	1,129.0	955.0	-15.4
Coffee Creamers	137.9	280.2	+103.2	163.3	292.8	+ 79.3	118.8	207.7	+ 74.8	11	196.6	190.0	- 3.4	170.0	154.3	- 9.2	182.8	167.7	- 8.3	809.4	869.5	+ 7.4	540.9	524.8	- 3.0	555.2	539.9	- 2.8
Wet Dog Food	280.8	400.2	+ 42.5	1,732.2	2,110.4	+ 21.8	1,816.0	2,250.0	+ 23.9	10	174.8	133.5	-23.6	677.0	465.8	-31.2	687.9	468.3	-31.9	2,947.0	3,115.0	+ 5.7	7,761.1	7,760.6	- .1	8,516.0	8,636.0	+ 1.4
Dry Dog Food	744.8	988.8	+ 32.8	4,755.9	6,113.3	+ 28.5	190.3	244.1	+ 28.3	15	528.1	590.6	+11.8	2,667.4	2,721.3	+ 2.0	209.0	221.8	+ 6.1	7,139.0	8,126.0	+13.8	24,468.9	25,054.8	+ 2.4	2,383.0	2,451.0	+ 2.9
Wet Cat Food	162.1	215.7	+ 33.1	336.8	372.3	+ 10.5	860.1	951.1	+ 10.6	3	33.2	32.9	- .9	57.1	49.6	-13.1	144.9	126.9	-12.4	1,561.0	1,704.0	+ 9.2	2,481.4	2,562.7	+ 3.3	5,338.0	5,495.0	+ 2.9
Pickles	104.7	147.1	+ 40.5	293.9	345.4	+ 17.5	146.4	174.7	+ 19.3	5	178.2	196.6	+10.3	304.7	303.3	- .5	202.7	209.5	+ 3.4	1,083.0	1,170.0	+ 8.0	1,736.2	1,757.7	+ 1.1	1,026.0	1,011.0	- 1.5
Pork & Beans	136.8	195.1	+ 40.6	523.2	676.6	+ 29.3	471.8	621.5	+222.7	30	229.8	225.0	- 2.1	721.1	674.0	- 6.5	568.0	523.6	- 7.8	3,971.0	4,241.0	+ 6.8	10,310.6	10,333.8	+ .2	8,981.0	8,957.0	- .3
Dry Packaged Dinners	370.1	521.8	+ 41.0	767.1	1,036.4	+ 35.1	1,693.0	2,287.0	+ 35.1	37	389.8	397.5	+ 2.0	645.4	556.4	-15.0	1,357.0	1,207.0	-11.1	5,847.0	6,016.0	+ 2.9	5,225.8	5,177.7	- .9	10,510.0	10,120.0	- 3.7
Mayonnaise	508.4	553.2	+ 8.8	1,049.9	1,033.2	- 1.6	524.9	516.6	- 1.6	20	655.4	696.2	+ 6.2	1,077.1	1,108.7	2.9	646.8	635.2	- 1.8	4,109.0	4,568.0	+11.1	5,417.5	5,675.3	+ 4.8	3,454.0	3,579.0	+ 3.6
Spoonable Salad Dressings	231.3	282.7	+ 22.2	597.4	682.5	+ 14.2	296.7	341.3	+ 14.3	22	149.7	136.9	- 8.6	289.1	243.1	-15.9	165.5	141.8	-14.3	2,628.0	2,580.0	- 1.8	4,081.0	3,708.3	- 9.1	2,344.0	2,161.0	- 7.8
Salt	32.6	36.1	+ 10.7	308.0	340.2	+ 10.4	189.5	209.4	+ 10.5	3	28.2	30.8	+ 9.2	195.3	192.7	- 1.3	120.2	118.6	- 1.3	107.2	107.7	+ .5	691.2	600.0	-13.2	384.4	342.4	-10.9
Pepper	45.5	29.9	- 34.3	18.8	12.4	- 34.1	37.6	24.8	- 34.0	7	95.7	143.1	+49.5	27.8	40.4	+45.3	133.8	152.7	+14.1	499.7	529.6	+ 6.0	110.5	113.9	+ 3.1	595.1	595.3	± 0
Solid Shortening	297.6	402.5	+ 35.2	588.1	754.9	+ 28.4	210.8	271.8	+ 28.9	16	391.9	382.9	- 2.3	721.9	640.1	-11.3	249.0	225.8	- 9.3	1,968.0	2,113.0	+ 8.4	2,917.7	2,963.4	+ 1.6	1,099.0	1,120.0	+ 1.9
Cooking & Salad Oils	942.6	1,157.0	+ 22.7	1,517.2	1,840.5	+ 21.3	542.3	657.5	+ 21.2	20	1,201.0	1,224.0	+ 3.6	1,701.2	1,699.0	- .1	735.0	750.1	+ 2.1	8,871.0	9,572.0	+ 7.9	9,964.0	9,964	± 0	4,892.0	4,950.0	+ 1.2
Potato Chips & Products	60.8	51.6	- 15.1	47.1	39.3	- 16.6	96.3	79.4	- 17.6	3	77.4	66.3	14.3	48.1	42.3	-12.1	99.6	87.3	-12.3	86.5	66.8	-22.8	42.5	30.4	-28.5	128.1	64.5	-49.6
Salted Nuts	252.7	252.5	- .1	229.1	219.3	- 4.3	272.8	256.1	- 6.1	6	571.3	697.6	+22.1	273.6	286.1	+ 4.6	413.8	437.3	+ 5.7	1,302.0	1,506.0	+15.7	652.0	675.2	+ 3.6	979.2	998.6	+ 2.0
Regular Soft Drinks	190.2	171.8	- 9.7	985.2	840.3	- 14.7	1,314.0	1,120.0	- 14.8	4	1,960.0	2,110.0	+ 7.7	10,922.2	11,645.9	+ 6.6	6,235.0	6,520.0	+ 4.6	724.2	793.5	+ 9.6	4,293.1	4,339.0	+ 1.1	2,422.0	2,507.0	+ 3.5
Breakfast Drink Mixes	294.7	136.7	- 53.6	481.3	199.4	- 58.6	285.2	117.4	- 58.8	6	57.0	52.6	- 7.7	70.2	57.4	-18.2	44.8	35.3	-21.1	331.1	361.7	+ 9.2	294.0	296.0	+ .7	179.3	174.7	- 2.6
Canned Soup	97.2	170.6	+ 75.5	332.3	481.0	+ 44.7	503.5	728.3	+ 44.6	5	184.2	175.4	- 4.8	416.6	377.5	- 9.4	623.9	562.5	- 9.8	4,308.0	4,577.0	+ 6.2	8,830.5	8,658.6	1.9	12,313.0	12,141.0	- 1.4
Maple Syrup	259.9	299.8	+ 15.4	492.9	543.9	+ 10.5	371.0	406.4	+ 9.5	22	289.8	296.0	+ 2.1	468.3	444.2	- 5.1	326.6	296.7	- 9.2	3,046.0	3,244.0	+ 6.5	3,407.9	3,436.4	+ .8	2,365.0	2,357.0	- .3
Tea Bags	392.8	445.2	+ 13.3	147.1	176.4	+ 19.9	294.1	352.8	+ 20.0	27	545.1	424.7	-22.1	154.3	119.6	-22.5	428.5	337.7	-21.2	4,440.0	4,516.0	+ 1.7	902.7	896.6	- .7	3,249.0	3,217.0	- 1.0
Canned Peas	310.7	460.3	+ 48.1	1,046.4	1,502.2	+ 43.6	1,049.0	1,502.0	+ 43.2	53	1,381.0	1,396.0	+ 1.1	3,482.8	3,386.1	- 2.8	3,869.0	3,729.0	- 3.6	2,888.0	3,234.0	+12.0	6,611.5	7,412.2	+12.1	7,357.0	8,015.0	+ 8.9
Canned Wax Beans	23.1	12.7	- 45.1	90.3	43.5	- 51.8	90.3	43.5	- 51.8	8	96.4	100.1	+3.8	259.0	249.0	- 3.9	284.8	274.8	- 3.5	90.1	69.8	-22.5	192.3	152.0	-21.0	245.9	167.4	-31.9
Canned Tomatoes	467.5	635.4	+ 35.9	1,542.3	2,204.7	+ 42.9	1,392.0	2,006.0	+ 44.1	46	2,264.0	2,271.0	+ .3	6,122.6	6,194.3	+ 1.1	5,219.0	5,207.0	- .2	3,910.0	4,060.0	+ 3.8	8,752.2	9,012.2	+ 3.0	6,772.0	6,878.0	- 1.6
Canned Potatoes	36.8	25.1	- 31.8	127.1	77.0	- 39.4	127.2	77.0	- 39.5	5	41.1	36.8	-10.5	109.8	97.4	-11.3	94.7	88.1	- 7.0	110.4	130.5	+18.2	229.2	283.5	+23.7	190.5	243.2	+27.7
Canned Beets	50.5	39.4	- 22.0	193.6	145.3	- 25.0	193.5	145.3	- 24.9	14	198.8	241.1	+21.3	514.1	637.0	+23.9	560.9	682.7	+21.7	379.9	332.9	-12.4	890.2	735.3	-17.4	959.7	783.0	-18.4
Canned Kidney & Misc. Beans	64.7	93.4	+ 44.4	228.8	304.8	+ 33.2	222.5	313.7	+ 41.0	15	235.9	318.3	+34.9	685.2	870.1	+27.0	637.5	828.1	+29.9	926.0	992.4	+ 7.2	2,318.6	2,267.0	- 2.2	2,232.0	2,153.0	- 3.5
Canned Sauerkraut	28.0	40.7	+ 45.4	97.4	139.9	+ 43.6	97.4	139.9	+ 43.6	5	48.6	61.5	+26.5	166.3	188.2	+13.2	114.9	139.3	+21.2	181.9	223.3	+22.8	494.5	554.9	+12.2	393.1	452.8	+15.2
Canned Corn	740.4	813.6	+ 9.9	2,588.0	2,850.8	+ 10.2	2,734.0	2,846.0	+ 4.1	49	2,602.0	2,857.0	+ 9.8	7,489.0	8,117.4	+ 9.2	7,989.0	8,566.0	+ 7.2	5,096.0	4,924.0	- 3.4	12,165.4	11,682.3	- 4.0	13,515.0	12,814.0	- 5.2
Canned Green Beans	626.3	740.9	+ 18.3	2,181.3	2,670.9	+ 21.9	2,230.0	2,671.0	+ 19.8	56	2,370.0	2,570.0	+ 8.4	6,466.0	6,740.2	+ 4.2	6,850.0	7,103.0	+ 3.7	5,434.0	5,686.0	+ 4.6	12,978.4	13,115.7	+ 1.1	13,548.0	13,606.0	+ .4
Tomato Paste	128.1	201.8	+ 57.5	207.4	306.9	+ 48.0	548.5	814.5	+ 48.5	8	81.4	81.3	- .1	108.9	116.1	+ 6.6	253.6	283.5	+11.8	733.1	739.1	+ .8	944.3	893.9	- 5.3	1,935.0	1,859.0	- 3.9
Tomato Sauce	378.5	537.5	+ 42.0	1,151.3	1,563.7	+ 43.6	2,132.0	2,911.0	+ 36.5	36	860.5	1,018.0	+ 5.7	2,360.0	2,707.7	+14.7	3,743.0	4,236.0	+13.2	3,206.0	3,487.0	+ 8.8	6,981.4	7,370.5	+ 5.6	10,821.0	11,607.0	+ 7.3
Dried Rice	181.9	255.1	+ 40.2	682.0	909.7	+ 33.4	238.8	334.6	+ 40.1	15	1,555.0	1,690.0	+ 8.7	4,364.6	4,426.0	+ 1.4	1,433.0	1,497.0	+ 4.5	3,861.0	4,064.0	+ 5.3	8,071.3	7,401.7	- 8.3	3,912.0	3,398.0	-13.1
TOTAL	15,092.3	19,641.1	+ 30.1	43,050.2	52,035.5	+ 20.9	32,291.4	38,448.5	+ 19.1		34,344.0	35,517.5	+3.4	84,024.9	83,423.4	- .7	65,923.4	65,516.5	- .6	153,582.6	164,736.2	+ 7.3	252,396.3	252,412.5	± .0	217,088.4	213,484.2	- 1.7
SHARES	7.4%	8.9%	+ 1.5	11.3	13.4	+ 2.1	10.2	12.1	+ 1.9		16.9	16.2	- .7	22.1	21.5	- .6	20.9	20.6	- .3	75.7	74.9	- .8	66.5	65.1	- 1.4	68.8	67.2	- 1.6

SAMI Report on Generic Performance

PHASE ONE

Constant Base Comparisons

TABLE 1

Dry Grocery-Food

	% CHANGE DOLLAR VOLUME	% CHANGE POUNDS	% CHANGE UNITS
TOTAL CATEGORY	+ 8.4%	+ 2.2%	+ 0.7%
TOTAL PRIVATE LABEL	+ 11.6	+ 6.6	+ 6.0
GENERIC LABEL	+ 30.1	+ 20.9	+ 19.1
REGULAR PRIVATE LABEL	+ 3.4	- 0.7	- 0.3
ALL OTHER BRANDS	+ 7.3	- 0	- 1.7

Performance of generic products in 59 reportable dry grocery-food categories is shown in the above table. Figures compare the current 12-week period as of May 2, 1980 with the year-ago period for three different measures of performance—dollar volume, pounds and units.

TABLE 2

Dry Grocery-Food

	YEAR AGO DOLLAR VOLUME SHARE	CURRENT SHARE	CHANGE	YEAR AGO POUND SHARE	CURRENT POUND SHARE	CHANGE	YEAR AGO UNIT SHARE	CURRENT UNIT SHARE	CHANGE
TOTAL PRIVATE LABEL	24.4%	25.1%	+ 0.7	33.5%	34.9%	+ 1.4	31.1%	32.8%	+ 1.7
GENERIC LABEL	7.4	8.9	+ 1.5	11.3	13.4	+ 2.1	10.2	12.1	+ 1.9
REGULAR PRIVATE LABEL	16.9	16.2	- 0.7	22.1	21.5	- 0.6	20.9	20.6	- 0.3
ALL OTHER BRANDS	75.7	74.9	- 0.8	66.5	65.1	- 1.4	68.8	67.2	- 1.6

Percent changes in total share for the 59 reportable dry grocery-food categories combined are shown above. Figures show gains or losses for the current 12 weeks compared with a year ago. Note that, in terms of unit change, generics are up 1.9 percent and brand items are down 1.6 percent, while regular private label is down only 0.3 percent. Thus, generic food categories appear to be taking share from national brands, rather than from private label as is widely believed.

TABLE 3

Dry Grocery-Nonfoods

	12-WEEK % CHANGE DOLLARS	12-WEEK % CHANGE UNITS
TOTAL CATEGORY	+ 10.3%	- 0.1%
TOTAL PRIVATE LABEL	+ 15.4	+ 4.6
GENERIC LABEL	+ 35.9	+ 19.9
REGULAR PRIVATE LABEL	+ 1.4	- 11.4
ALL OTHER BRANDS	+ 9.0	- 2.0

Volume trends for 13 reportable dry grocery-nonfoods categories are listed in the above table. As shown, generics posted a whopping 35.9-percent rise in dollar volume and a 19.9-percent unit increase.

TABLE 4

Dry Grocery-Nonfoods

	YEAR AGO SHARE DOLLAR VOLUME	CURRENT SHARE DOLLAR VOLUME	CHANGE	YEAR AGO SHARE UNITS	CURRENT SHARE UNITS	CHANGE
TOTAL PRIVATE LABEL	18.8%	19.7%	+ 0.9	26.8%	28.5%	+ 1.3
GENERIC LABEL	7.6	9.4	+ 1.8	13.6	16.4	+ 2.8
REGULAR PRIVATE LABEL	11.2	10.3	- 0.9	13.2	11.7	- 1.5
ALL OTHER BRANDS	82.5	81.6	- 0.9	77.3	75.8	- 1.5

NOTE: Shares add up to more than 100% due to inclusion of non-reportable volume in some categories not included in total category computer printouts.

This chart shows total percent changes in share for the 13 reportable dry grocery-nonfoods categories combined. Again, figures show gains or losses for the current 12-week period compared with a year ago. Note that in the non-foods area, generics have had less impact—the chart shows generics up just 2.8 percent in unit volume. Note also that they appear to take market share equally from regular private label and national brands; each posted a unit volume drop of 1.5 percent.

PHASE TWO

Current Performance

(12-week period ending May 2, 1980 vs. May 4, 1979)

TABLE 5

Dry Grocery-Food

	DOLLAR VOLUME YEAR AGO SHARE	DOLLAR VOLUME CURRENT SHARE	CHANGE	POUNDS YEAR AGO SHARE	POUNDS CURRENT SHARE	CHANGE	UNITS YEAR AGO SHARE	UNITS CURRENT SHARE	CHANGE
TOTAL PRIVATE LABEL	20.2%	22.1%	+ 1.9	27.1%	30.7%	+ 3.6	26.7%	29.3%	+ 2.6
GENERIC LABEL	2.8	6.3	+ 3.5	4.5	9.7	+ 5.2	4.0	8.3	+ 4.3
REGULAR PRIVATE LABEL	17.4	15.8	- 1.6	22.6	21.0	- 1.6	22.7	21.0	- 1.7
ALL OTHER BRANDS	79.8	77.9	- 1.9	72.9	70.0	- 2.9	73.3	70.7	- 2.6

Twelve-week shares and changes for the 92 continuously reportable dry grocery-food categories are listed above. Note that in all three areas—dollar volume, pounds and units—generics are up, while both regular private label and brand items are down. Note also that, in each area, brands lost more share than did regular private label.

TABLE 6

Dry Grocery-Nonfoods

	12-WEEK % CHANGE DOLLARS	12-WEEK % CHANGE UNITS
TOTAL CATEGORY	+ 13.6%	+ 3.2%
TOTAL PRIVATE LABEL	+ 24.1	+ 12.3
GENERIC LABEL	+ 125.5	+ 86.9
REGULAR PRIVATE LABEL	- 2.3	- 16.1
ALL OTHER BRANDS	+ 12.1	+ 1.0

The above table summarizes 12-week volume trends for the 27 reportable nonfoods categories which comprise the current base universe. Figures compare the current 12-week period with one year ago. As can be seen from the figures, generics are making impressive gains, but are taking less from brand items than from regular private label.

TABLE 7

Dry Grocery-Nonfoods

	YEAR AGO DOLLAR VOLUME	CURRENT DOLLAR VOLUME	CHANGE	YEAR AGO UNITS	CURRENT UNITS	CHANGE
TOTAL PRIVATE LABEL	14.5%	15.8%	+ 1.3*	18.6	20.6	+ 1.7
GENERIC LABEL	3.0	5.9	+ 2.9	5.2	9.4	+ 4.2
REGULAR PRIVATE LABEL	11.5	9.9	- 1.6	13.7	11.1	- 2.6
ALL OTHER BRANDS	85.4	84.3	- 1.1*	81.2	79.5	- 1.7

**Difference due to rounding.* This table recaps 12-week dollar and unit volume shares for the 27 reportable dry grocery-nonfood categories combined. Note, again, that when it comes to nonfoods, generics have less of an effect on brands than they do on regular private label.

TABLE 8

Dry Grocery-Nonfoods

CATEGORY	GENERIC LABEL SHARE POINT GAIN VS. YEAR AGO
DISPOSABLE DIAPERS	+ 8.5
PAPER & PLASTIC PLATES	+ 7.5
PAPER TOWELS	+ 6.8
CHLORINE BLEACH	+ 5.9

Four items are doing spectacularly well in the generic category, increasing their share five points or more in the current 12-week period over the same year-earlier period. Share gains for these items—disposable diapers, paper and plastic plates, paper towels and chlorine bleach—are shown above. These are only the most impressive generic performers, however; in fact, among all nonfood items reportable, only generic aluminum foil failed to increase unit volume.

■ *Continued from page 8*

and 1979 SAMI reports has also continued to grow.

By the time of the third SAMI report in November 16, 1979, there were seven dry grocery food categories in which 100 or more food operator warehouses were shipping generic labels.

By the May 2, 1980 period, the number of categories had grown to 17. In 10 of these categories, the number of warehouses handling generics exceeded 120, or approximately one-fourth of the total number of food operator warehouses in the SAMI system.

These top 10 in order of rank charted below:

Category	No. of Warehouses Shipping Generics As of 5/2/80
Canned green beans	143
Jams, jellies, preserves	142
Canned corn	141
Catsup	138
Peanut butter & combinations	138
Canned peas	130
Canned tomatoes	125
Dry packaged dinners	124
Tea bags	123
Canned peaches	122

In the non-food categories of dry groceries, seven categories of generics were being shipped by 100 or more warehouses. These, ranked in descending order, are:

Category	No. of Warehouses Shipping Generics As of 5/2/80
Plastic household bags	141
Light duty liquid detergents	138
Heavy duty detergents	134
Toilet tissue	132
Fabric softeners	126
Paper towels	122
Facial tissue	101

There were only 11 frozen food categories and six refrigerated food categories in which generic labels were reportable (offered by three or more operators as defined by SAMI). However, year-ago comparisons could not be made since, in most instances, generic label volume in the 12-week year ago period was negligible or non-existent.

In the frozen and refrigerated categories, there were only six categories in which generics were handled by more than 20 warehouses. These, ranked in descending order, are:

Category	No. of Warehouses Shipping Generics as of 5/2/80
Processed cheese	83
Margarine	58
Frozen orange juice	28
Frankfurters	24
Bacon	23
Lunch meat	22

SAMI is now tracking 20 frozen food categories and nine refrigerated product categories with generics. Refrigerated meat categories were not monitored by SAMI until September, 1979.

The current base universe of reportable non-foods categories now covers 27 categories of generic non-food items. In terms of unit volume market share, generic non-foods items increased unit share by 4.2 percent, while regular private labels fell 2.6

sweet corn
sweet corn
sweet peas
SANDWICH BAGS
SANDWICH BAGS
SANDWICH BAGS
SANDWICH BAGS

GENERICS APPEAR TO BE TAKING MORE SHARE from regular private label than from branded items in the non-foods arena. Plastic household bags are the #1 dry grocery-nonfood item in terms of number of warehouses shipping them (see tabie, this page).

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GENERICS INCREASED UNIT SHARE by 4.3 percent during SAMI's one-year reporting period, while dollar share rose 3.5 percent.

Generics: A 'Fad' with No Fade in Sight

■ *Continued from previous page*

percent and "all other brands" fell 1.7 percent.

In three categories, 12-week dollar volume in generics among those operators handling generics had a share of market that exceeded 2 percent of national dollar volume during the period. There were: household plastic bags, 2.9 percent; paper napkins, 2.3 percent and facial tissue, 2.2 percent.

In total, there were 114 dry grocery—food categories reportable in the period ending May 2, 1980.

However, for the purposes of comparison, there were only 92 categories with continuous reportability over the year. (*See Table 5 for 12-week shares compared with a year ago.*)

Takes Share from Brands

Here again, gains for generic labels have been slightly more at the expense of "all other brands" than regular private labels. Generics increased their share in dollars by 3.5 percent for 92 categories while regular private labels declined 1.6 percent and "all other brands" declined 1.9 percent in dollar volume. In units, generics increased share by 4.3 percent, while regular private labels declined 1.7 percent and "all other brands" declined 2.6 percent.

There are nine dry grocery—food categories in which generic labels have a 12-week share in excess of 25 percent among those food operators handling these items as of May 2, 1980. (*See Table 6.*)

> *"Saturation for generics in most categories, both food and nonfood, has not yet been reached."*

Looking at all the categories in which SAMI is tracking generic labels, total private labels (which includes generics) declined in only 18 categories in 12-week share of dollar volume from a year ago.

Generic labels have made gains in terms of the 59 categories tracked since 1978 in dry groceries—food, as well as in new categories now offering generics and new operators.

It would appear safe to assume that the saturation level for generics in most categories, both food and nonfood, and the penetration levels of generics into the categories that handle them have not yet been reached. In view of the continuing recession, at least for the remainder of 1980, there is little evidence that the growth of generics will abate soon.

Importance Understated

Since the volume for food operators handling generics currently represents raw unprojected data, comparisons with national projected data tend to understate the category share of those food operators currently shipping generics or the national importance of generics.

In other words, some operators shipping generics have a larger share of market than others and therefore would carry more weight in a national projection.

Taking into consideration the factor of understatement, in all current base categories combined, current 12-week dollar volume amounted to 12.7 percent of national projected volume in these same categories. On the same basis, actual sales of generics for 0.8 percent of nationally projected volume overall. ■

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James Goodwin, Vice President of Distribution, Joe Hall, Head Buyer. Food Town Stores of North Carolina.

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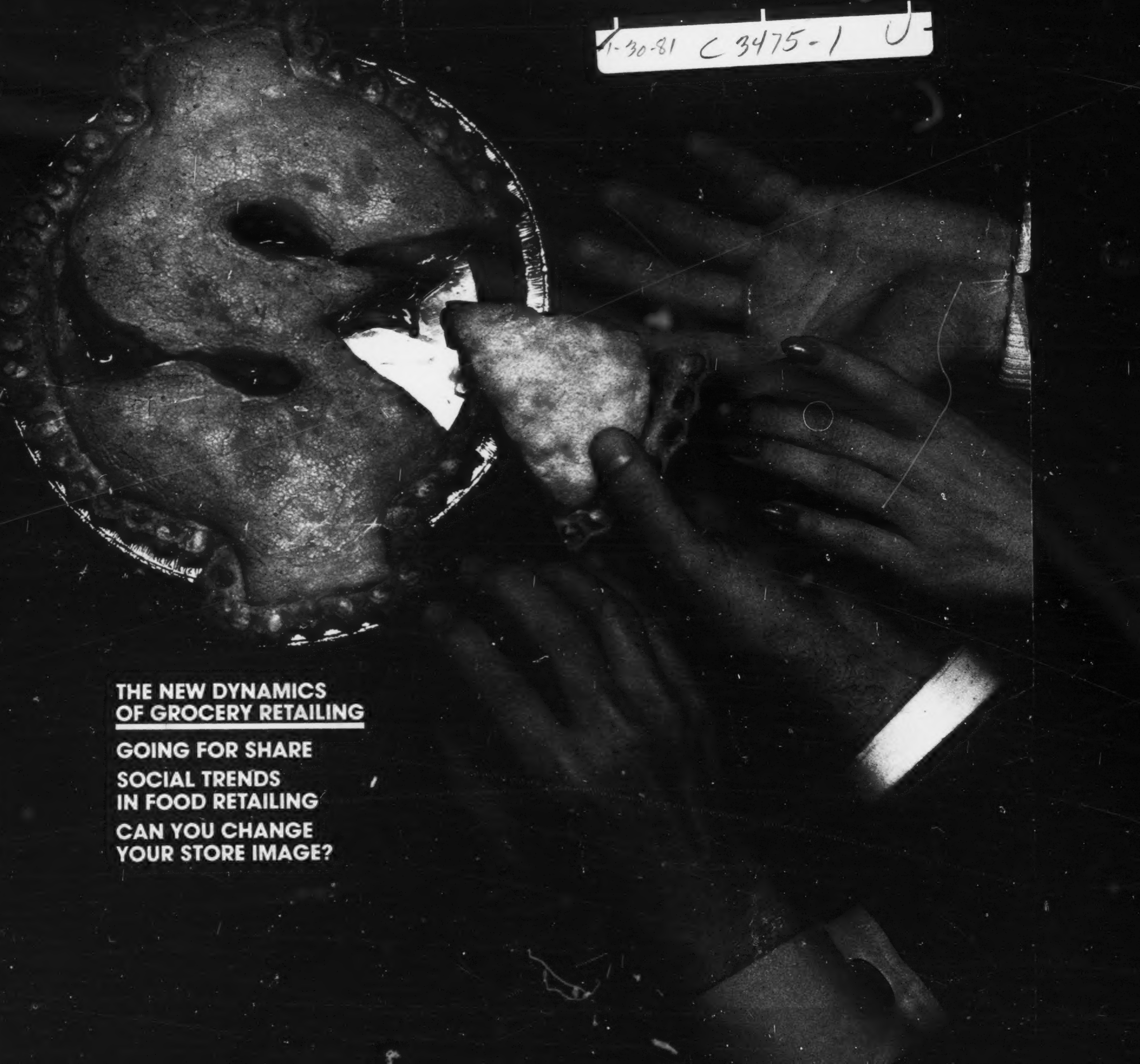

THE NEW DYNAMICS OF GROCERY RETAILING

GOING FOR SHARE

SOCIAL TRENDS IN FOOD RETAILING

CAN YOU CHANGE YOUR STORE IMAGE?

SUPERMARKET BUSINESS

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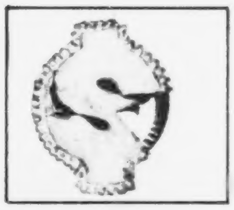

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It's all in a day's work for order pickers at the world's largest under-one-roof warehouse, a five-million-sq. ft. limestone mine.

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YOU JUST INHERITED $64,000
BY MARION BOND, CONTRIBUTING EDITOR

Checkout girl, Anita Brown, inherited $64,000 from a former customer whose name she had long forgotten. It changed her life in some ways, but she's back at her job, because she likes it.

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PET FOODS—PROMOTIONAL JOUSTING HEATS UP AS PET FOOD PRODUCTS PROLIFERATE.

The battle for the lucrative pet food market gets hotter as manufacturers of dry food offer bonus packs of from one to five pounds without raising prices. Canned food makers are beginning to deal heavily on top of lower base prices to hold their market share.

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CHANGING LIFESTYLES

NEW DIRECTIONS IN AMERICAN LIFESTYLES TELL US THAT "TOGETHERNESS" IS DEAD. SHOPPING PATTERNS AND STORE FORMATS ARE SAID TO BE DIRECTLY RELATED.

The variety of new store formats available to both retailers and consumers in today's grocery marketplace suggests that retailers, like marketers, are appealing to different consumer segments. This is difficult to detect, at present, since the dynamic conditions of competition do not permit such neat arrangements right at the outset. This most likely will occur sometime later, as specific retailing approaches settle out and find their natural competitive niches.

However, taking a step back in perspective, and possibly ahead in time, will permit a broader view of how these new store formats might take a rightful and more permanent position in the marketplace. This is doubly difficult, at present, as new formats, as well as the established and once dominant supermarket, vie for as large a segment of the market as each can obtain.

This point was made at the September, 1980, meeting of the directors of Food Marketing Institute in Venice, by Michael J. O'Connor. He suggested that "... the food distribution business is feeling the early signs of *market fragmentation.*" He also recalled that Alvin Toffler had made a similar point in his new book, "*The Third Wave,*" where he described the new forces within society that were causing a general "demassification," in marketing, distribution and in media.

O'Connor went on to point out that this process is no different from what manufacturers have been doing for years in fractioning the market into different brand images. Furthermore, he said, "Any successful retailer must finally reach a point where he must choose between geographic expansion outside his basic marketing area, and expansion in depth, or market fractionalization ... that is, to expand sales by opening different types of retail stores in the same geographic area."

Actually, retailers are doing both. They are opening different formats in different areas, and trying new formats within their traditional marketplaces. Nevertheless, at some point, it would seem to make sense that different demographic and lifestyle groups would find one or more formats more appealing than others. It is important that retailers, manufacturers and marketers know which formats would have long-term appeal to which groups of shoppers.

The following report is an excerpt of the full study called, "Social Trends in Food Retailing," prepared by the Center for the Study of Social Policy, SRI International, for the Coca Cola Retailing Research Group, and presented to the FMI Fall Conference, held in October, 1980, in San Francisco. The overall objective of the study is to provide insight and data on how selected social, human and economic trends will impact various types of retail outlets in the 1980's. This excerpt deals largely with the expected impact of several different lifestyles on different types of retail outlets. SRI has developed the material on lifestyles over a period of years, and on a continuing basis. There are three main classifications of lifestyles identified by SRI. There are: The Need Driven, The Belongers, and The Inner-Directeds. The latter group may be subdivided into two groups: Experimental consumer and Societally Conscious consumers.

Need-Driven consumers

Price is paramount for Need-Driven

EXPRESS LANE

WEIGHTED LIFESTYLE IMPACTS ON FOOD RETAILERS

	1978						1990					
Type of Store	**Need Driven 1***	**Belonger 4***	**Achiever 3***	**Experiential 1***	**Societally Cons. 1***	**TOTAL 10***	**Need Driven 1***	**Belonger 3***	**Achiever 3***	**Experiential 1.5***	**Societally Cons. 1.5***	**TOTAL 10***
Limited-assortment	+ 2	+ 4	− 6	− 1	− 1	− 2	+ 2	+ 3	− 6	− 1.5	− 1.5	− 4
Warehouse	+ 1	+ 4	− 3	− 1	− 1	0	+ 1	+ 3	− 3	− 1.5	− 1.5	− 2
Supermarket	+ 1	+ 8	0	+ 1	+ 1	+11	+ 1	+ 6	0	+ 1.5	+ 1.5	+10
Super store	+ 1	0	+ 3	+ 1	+ 1	+ 6	+ 1	0	+ 3	+ 1.5	+ 1.5	+ 7
Combination	+ 2	0	+ 3	+ 1	+ 1	+ 7	+ 2	0	+ 3	+ 1.5	+ 1.5	+ 8
Complete home-delivery	− 1	− 4	+ 3	− 1	+ 1	− 2	− 2	− 3	+ 3	− 1.5	+ 1.5	− 1
Limited home-delivery	− 1	− 4	− 3	− 1	− 1	−10	− 1	− 3	− 3	− 1.5	− 1.5	−10
Neighborhood	0	+ 8	0	+ 1	0	+ 8	0	+ 6	0	+ 1.5	0	+ 7.5
Specialty	− 2	− 4	+ 6	+ 2	+ 1	+ 3	− 2	− 3	+ 6	+ 3	+ 3	+ 7
Convenience	− 1	− 4	+ 3	+ 1	0	− 1	− 1	− 3	+ 3	+ 1.5	0	+ 0.5
Percent of Adult Population	**12**	**38**	**33**	**9**	**8**	**100**	**10**	**34**	**30**	**13**	**13**	**100**

*Weighting based on percentage of adult population of each lifestyle.

consumers. Emphasis in the market is on loss-leader types of items where prices can be easily compared. Best response is to high-load, price-prominent ads and packaging. Coupons and understandable warranties are probably effective. However, home storage space and refrigeration are frequently inadequate and income is insufficient to support bulk forward buying during sales, since many pay with food stamps, welfare, or social security checks. Shopping tends to be in local stores, with national brands preferred to store-brands. Many ethnic and subcultural products and cooking styles with high flavoring are preferred. Such consumers are likely to buy more saturated fats such as pork, fatty hamburger, ham hocks, etc., and will purchase "stretch," "fill-up" foods, especially starches (bread, potatoes, spaghetti, noodles, rice, powdered and concentrated milk, etc.). In perishable foods, they may buy raw, leafy green vegetables (such as chard, mustard greens) and "overripe" bargains (15 lbs. of bananas for $1, for example). Most employed Need-Driven consumers are lunch box carriers, taking sandwiches, pie and vacuum bottles of coffee.

Our impression is that about 10% of total food expenditures goes for food away from home, but that this fraction has been rising, especially among smaller Need-Driven families, who are heavily inclined to eat processed foods and are good customers of "fast food," drive-in restaurants.

The emphasis upon economy indicates that limited-assortment stores would be a major beneficiary; to a lesser degree warehouse stores will benefit, especially if promotions involve significant loss leaders and other "bargains." Supermarkets, super stores, combination stores, and neighborhood stores will gain some of the Need-Driven business but more because of convenience than because of price.

Impact of Need-Driven lifestyles

Type of Store	Impact
Limited-assortment	++
Warehouse	+
Supermarket	+
Super store	+
Combination	++
Complete home-delivery	–
Staple home-delivery	–
Neighborhood	0
Specialty	– –
Convenience	–

++ Very positive
+ Moderately positive
0 Neutral
– Moderately negative
– – Severely negative

About 35% of Need-Driven consumers are black and an additional fraction are of Hispanic origin. The older of these tend toward cooking from scratch and the younger toward pre-prepared ethnic foods. These trends are favorable to stores with wide selections—notably supermarkets, super stores, and combination stores. Such customers probably do not frequent specialty stores, which tend to cater to high-income consumers.

Belonger consumers

Tradition is paramount for Belongers. This is the "the-way-Mom-used-to-do-it" market. Tends toward American traditions, but with many religious and ethnic subtrends. Holiday and occasion markets are appreciable. Family meals, often entirely home-cooked, loom large. The data indicate that about 90% of Belonger families eat dinner together as a regular thing. Center-of-the-plate items predominate, but snacks and candy are very important. In general, bland foods and condiments are preferred.

Belongers offer the best opportunity to promote themes such as "the family that eats together stays together," "the way to a man's heart is through his stomach," "make the bowling night an eat-out night," etc. Popularity and tradition are appropriate themes for ads and packaging. The approach should be undemanding of the customer (hence, self-service stores are ideal)—she/he wants to fit in, not stand out. Mother takes pride in preparing a "good, hot meal," promptly on the table at 6 o'clock when Father gets home. Often Belongers are "meat and potato" eaters, with a preference for roast beef, ham, or turkey dinners—hearty, but hardly inspired.

Food away from home is probably up to 15% of total family food outlays.

This massive market—there are almost 60 million Belongers aged 18 or over—is the heart of conventional family food shopping. National brands are strongly flavored, scratch cooking is expected, and traditional American foods are much preferred to exotic "foreign" dishes.

Impact of Belonger lifestyle

Type of Store	Impact
Limited-assortment	+
Warehouse	+
Supermarket	++
Super store	0
Combination	0
Complete home-delivery	–
Staple home-delivery	–
Neighborhood	++
Specialty	–
Convenience	–

Belongers shop most at conventional supermarkets (where they are invisible) and at the friendly neighborhood grocery (where they feel much at home). Specialty stores would be avoided: home-delivery operations would be regarded as almost sinful—the cook is obliged to pick each item with care. Belonger housewives tend to keep full larders, so that they have little need of off-hours, pickup shopping favorable to convenience stores. Inflation no doubt will drive some Belongers to price-oriented stores such as limited-assortment and warehouse operations. Super stores and combination stores will probably get their share of Belonger business, but will not be notably attractive.

WEIGHTED TREND IMPACTS ON FOOD RETAILERS

Type of Store	Positive	Negative	Net
Limited-assortment	64	59	+ 5
Warehouse	86	38	+ 48
Supermarket	183	0	+183
Super store	216	0	+216
Combination	226	0	+226
Complete home-delivery	104	17	+ 87
Limited home-delivery	69	36	+ 33
Neighborhood	77	37	+ 40
Specialty	86	21	+ 65
Convenience	85	28	+ 57

COMPARISON OF RANKINGS

Type of Store	Trends	Lifestyles	Difference
Limited-assortment	10	9	1
Warehouse	7	8	1
Supermarket	3	1	2
Super store	2	4*	2
Combination	1	2*	1
Complete home-delivery	4	7	3
Limited home-delivery	9	10	1
Neighborhood	8	3	5
Specialty	5	5*	0
Convenience	6	6	0

*Tied.

Achiever consumers

Key descriptors of the Achiever consumer group include: top of the line, prestigious, gourmet, convenience, technologically advanced. Achievers have the means to dine on the best of the best, but of course, by no means everything they eat is elegant. At home, convenience foods are important. They own the latest in kitchen equipment, including microwave ovens and storage freezers. Gourmet and exotic items, "experimental" foods, and the classical best of all find good markets here. A special opportunity exists for food items that can be cooked or prepared only with special equipment. Quality, appearance and convenience are more important than price. Ads and packaging should convey these properties. Much shopping is done at specialty food stores, fancy supermarkets, and super stores. Important convenience submarkets include career women, successful singles, and younger couples both of whom work.

Achievers use more imported foods and wines, "conversation piece" items (papayas and pineapple flown in fresh from Hawaii), and delicatessen foods, especially cheeses. They tend to buy fresh meat from butcher shops and fresh fish from the fishmarket; but vegetables frozen in special sauces such as Hollandaise, cream, or butter, etc., are popular, as are ice creams, frozen pies, bake and serve rolls, and tube cookies (slice and put it in the oven).

Achievers love "one-upmanship" entertaining (Mexican dinner one night, French dinner another, Indian another, etc.) with the emphasis on carefully planned "authentic" menus, and with foods and table decorations presented as a showcase for cooking school achievements.

Working parents of this type often serve on school committees, charities, and other community affairs, and encourage their children to participate in competitive sports; hence, during the week these busy families may not eat together because of conflicting schedules. Working mothers favor dinners providing leftovers that can be reheated in the oven or serve more than one meal. They tend to use more paper products and prepared baby foods.

Perhaps a third of the Achiever food dollar goes to food away from home, and they are good supporters of brunches, lunches, or dinner at many of the better restaurants.

The Achiever lifestyle is notably favorable to specialty shops. It also favors high-quality, wide-selection outlets such as super stores, combination stores, and complete grocery home-delivery operations. Off-hour convenience stores also should benefit. Economy and low-quality stores are adversely affected. The conventional supermarket or neighborhood shop probably will feel few specific impacts from Achiever buying. (See impact table.)

Inner-Directed consumers

For our purposes here, we divide Inner-Directed consumers into a youthful group that is living intensely and experientially and another group that is focused more on social issues. Each group consists of 13 or 14 million people. We anticipate major growth in both over the coming decade.

Impact of Achiever lifestyle

Type of Store	Impact
Limited-assortment	– –
Warehouse	–
Supermarket	0
Super store	+
Combination	+
Complete home-delivery	+
Staple home-delivery	–
Neighborhood	0
Specialty	++
Convenience	+

Experiential consumers

Hallmarks are the exotic, the different, the sensual, the aesthetic. Experiential consumers interested in food probably spend freely for what they want and are willing to spend hours in preparation. There is a good deal of home baking, home-grown vegetables, and other preparation "from scratch." Freshness, appearance, flavor, subtlety are very important. Fads probably are significant.

Generally young, these consumers are technologically and socially alert, and aware of health and nutrition trends. Wine-and-candles type dining is quite common, but generally more informal than classically elegant. Recreational foods for backpacking, RV trips, and camping are an appreciable item. Ads and packaging should stress the modish, the aesthetic, the stylish. Natural colors and themes are appropriate. These are Inner-Directed people and have a strong sense of the fitness of things—of foods, packaging, stores—to fit the occasion. Interest in the occult may offer specialty opportunities for exotic foods and cooking styles, especially if tinged by Eastern tradition, such as cinnamon teas and Indian or Oriental dishes.

Eating out probably accounts for at least one-third of the food dollar, since many are fairly prosperous, sociable singles.

This lifestyle strongly favors the specialty stores and (less strongly) the large diversified operations such as supermarkets, super stores and combination stores. The spur-of-the-moment nature of this lifestyle suggests a need for convenience stores and neighborhood shops. Experiential consumers probably are not outstanding customers for cut-rate stores or expensive home-delivery outlets.

Impact of Experiential lifestyle

Type of Store	Impact
Limited-assortment	–
Warehouse	–
Supermarket	+
Super store	+
Combination	+
Complete home-delivery	–
Staple home-delivery	–
Neighborhood	+
Specialty	++
Convenience	+

Societally conscious consumers

Here, more than anywhere else the focus is on nutrition, health, safety, conservation, package labeling, and the like. Societally Conscious people are keenly aware of ecological concerns and, hence, are big buyers of so-called natural and organic foods. Those living lives of voluntary simplicity do much of their own food growing and preparation, as well as canning and dehydrating of bulk purchases. City and suburban types tend to shop in the "earth" type stores and in co-ops. In general, these are intellectual folk prone to investigate what they consume and given to effective complaint if they don't approve. They are at the heart of many consumer and environmental movements and so are a good deal more visible than their numbers would suggest. Ads and packaging should, above all, be informational and open. Aesthetics also are important. These people seem to respond especially to "primitives," one-of-a-kind appeals, and "spaceship earth" perspectives.

Many of these consumers are vegetarians and balance their diets with nuts, raisins, legumes. Others are non-meat eaters, turning to fish and chicken. Most entertain informally at home, perhaps with potluck suppers and home-made soups, casseroles, pastries, home-ground coffee, and spicy tea.

Societally Conscious consumers probably patronize specialty stores more than any other single customer group. Because they know what they want (and don't want), they tend to shop at wide selection stores—supermarkets, super stores, and combination outlets. The marginal quality of goods in limited-assortment and warehouse stores is a negative to consumers such as those who are concerned with nutrition. Similarly, they wish to see before they buy and hence would patronize home-delivery stores only if the reputation is excellent. This amounts to a probable negative for staple grocery home-delivery stores and a mild plus

Impact on Societally Conscious lifestyle

Type of Store	Impact
Limited-assortment	–
Warehouse	–
Supermarket	+
Super store	+
Combination	+
Complete home-delivery	+
Staple home-delivery	–
Neighborhood	0
Specialty	++
Convenience	0

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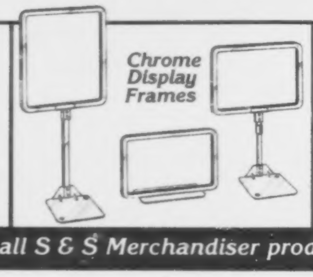

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for high-quality complete grocery home-delivery outlets. Impacts on convenience and neighborhood stores appear minor.

Summary and conclusions

In the fall report, 23 demographic, social, and consumer trends and five lifestyles were examined and have been assessed as to how each will affect ten different kinds of food retail outlets under conditions of a medium to low-growth economic scenario. It should be emphasized that the objective of this study was "to speculate about the types of retailing each group might regard as ideal, without regard to the industry's current ideas about what might be feasible." The perspective is intended to be sociological rather than economic.

Impact of trends

It is evident that the large, diverse, one-stop, conventional-price outlets—supermarkets, super stores, and combination stores—come out best. Many factors contribute to this finding, including growth in number of families, more men shoppers, more working women, desire for convenience, more one-stop shopping, higher food costs, the growing value of time, and rising levels of stress.

Specialty stores and complete home-delivery operations also emerge in a favored position, although less so than the large conventional operations. These are expected to benefit from shifts in household composition, more high incomes, higher levels of education, more working women, and various special situations.

Warehouse, neighborhood, and convenience stores will benefit from some of the trends and will suffer from others. Overall, it does not seem likely that they will prosper. For neighborhood and convenience stores, the main reasons are limited variety and higher prices.

Limited-assortment store and limited home-delivery operations are least favorable by these trends. Even so, there are areas strongly advantageous to these operations. Hence, the real significance of a low rating in this analysis is that the retailer should target his merchandising very specifically. Broad social trends probably will not sweep limited-assortment or limited home-delivery operations into prosperity (as could well happen to super stores); at the same time, there is a definite market niche to be filled. Low ratings do suggest that each such operation will require a rather large customer base.

In a moderate growth scenario the overall pattern would be much the same, except that preferences for limited-assortment, warehouse, and limited home-delivery stores would be even lower. Higher incomes and generally more stable social and economic conditions would reduce the need to shop economically. Under such conditions, specialty food stores would probably boom.

The overall preference pattern in a "depression and recovery" scenario, however, would be considerably different. Limited-assortment and warehouse stores would thrive. Conventional supermarkets, super stores and combination stores would be well patronized, with low cost the principal attraction. Both kinds of home-delivery stores would probably suffer, and neighborhood, specialty, and convenience stores would hold a slightly smaller fraction of the market than in the "most likely" scenario.

Impacts of lifestyles

Note that the weighting in the "Lifestyles" table reflects the population of each lifestyle in 1978 and is altered for 1990 to reflect anticipated distributions then. Some comments on each store type are offered below.

The limited-assortment store has its basic appeal among the Need-Driven and Belonger groups. These stores, because of their price orientation, appeal to the over-50 segment of the Need-Driven group and the traditional housewives among the Belonger group. Because these groups will decline in importance over the next decade, it is felt that even though limited-assortment stores may be relatively successful during the early part of the '80s, they will be a declining factor in the food retailing mix by the end of the decade. These types of stores have strong negative connotations among the Achiever and Inner-Directed groups.

Warehouse stores, like the limited-assortment stores, appeal to the Need-Driven and Belonger people. Because these stores are located in older, recycled supermarkets, their customer base is the older or more traditional shoppers among the Need-Driven and Belongers. These types of retail food outlets should fare better than the limited-assortment stores over the decade of the '80s because of their broader selection of items.

The conventional supermarket with its broad assortment of groceries and related products is the standard of grocery retailing formats. It has its strongest appeal to the Belonger group, which makes up much of Middle America. Because this group is going to decline slightly in terms of adult population (38% to 34%) over the next decade, the conventional supermarket may feel some negative effect. However, the supermarket will remain the dominant format in grocery retailing.

The super store, because of the great variety of items offered, appeals to all the lifestyles except the Belongers. This very broad base of support suggests good prospects for further growth. Belongers will be less attracted to super stores because they prefer to shop in smaller stores with which they are familiar (e.g., supermarkets, neighborhood stores). More specifically, because the Experiential and Societally Conscious lifestyles will increase in importance at a greater rate than the Need-Driven will decline, we should see a slight expansion of the super store format.

Combination stores offer most of the frequently purchased consumable

Continued on page 36

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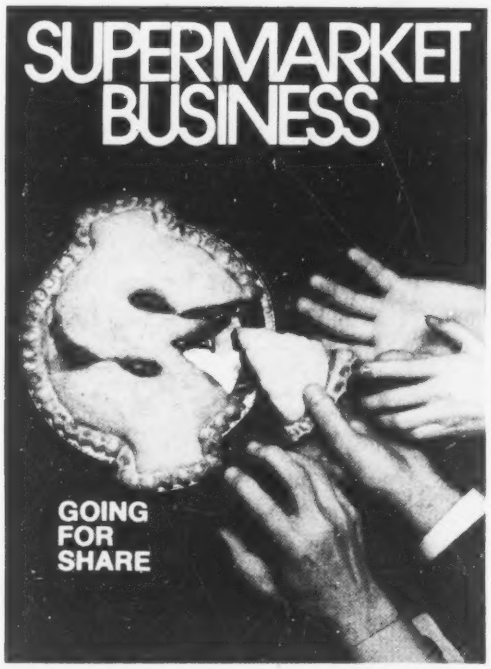

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LIFESTYLES

Continued from page 22

and related convenience items, along with a wide array of general merchandise. They appeal, like the super stores, to all the consumer groups except Belongers and have a special appeal to the Need-Driven because discounted food prices are often used as traffic-builders. The growth of Experiential and Societally Conscious groups over the next decade should support expansion of this form of retailing. Another supportive factor is the inflow of European capital into U.S. grocery retailing: the combination store has proved highly successful in Europe.

Complete home-delivery operations appeal especially to affluent Achievers who are willing to pay for the convenience of home delivery. They might also appeal to nutrition-conscious Societally Conscious people if they develop a reputation for top quality. The upshot is a specialty market niche, and one that will probably expand a little in the years ahead.

Staple home-delivery operations show up as very negative in this analysis from the sociological perspective. The picture for 1990 does not seem any better. As far as we can ascertain, the combination of relatively low product quality, limited selection, and relatively high cost is too negative to overcome the appeal of home delivery.

Neighborhood stores have powerful appeal to the massive Belonger group and also offer enough convenience to prevent negative ratings by any group, despite middling quality, limited selection, and high costs. Over time the popularity of neighborhood stores may decline, but we think the trend will be minor.

Specialty stores appear to us to be a very advantageous position. They have great appeal to Achievers and the two Inner-Directed groups. These are, in general, the lifestyles expected to expand in the years ahead, so that by 1990 specialty stores should be considerably more popular than they are today.

Convenience stores are, although to a much lesser degree, responsive to the same favorable lifestyles that specialty stores are. This means that they are likely to be increasingly patronized over the years, moving from a generally negative position today to a positive one in 1990.

The foregoing observations reflect the "most likely" scenario. A more prosperous future would be most beneficial to complete home-delivery stores and specialty stores. A less prosperous future for the U.S. would accent limited-assortment stores, warehouse stores, and conventional supermarkets, super stores, and combination stores able to offer low-cost goods.

Comparison of the two approaches

Reassuringly, the broad pattern of conclusions from the two approaches is the same. Ranking of the "net" figures for trends with the 1990 "total" figures for lifestyles are compared. (See Table.)

The two approaches Trends agree on high rankings for four of the top five and four of the bottom five—although not in the exact sequence. The areas of greatest difference are super stores, complete home-delivery, and neighborhood stores: the first seems materially more attractive on the basis of trends and the latter two seem more attractive on the basis of lifestyles. The absolute magnitude of the scores in the two approaches is not thought to be significant, being more an artifact of the number of factors involved than the degree of attractiveness of the retail format. It probably is true that the general agreement of rankings from the two approaches suggests a higher degree of certainty of findings than results from either approach alone. ■

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Commodore Industries
P.O. Box 1688, 1037 Lower Brownsville Road
Jackson, Tenn. 38301/901-423-1340
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Co-Poly Ex Corp.
1440 Holmes Road
Elgin, Ill. 60120/312-695-3100
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Datacash Systems Inc.
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Clearwater, Fla. 33518/813-441-3585
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PROMOTIONAL JOUSTING INTENSIFIES AS PET FOODS PROLIFERATE

MANUFACTURERS, INTENT ON SOLIDIFYING THEIR FOOTHOLD HAVE INTRODUCED NEW PRODUCTS, PROMOTION GEARED TO EVER MORE PRICE CONSCIOUS SHOPPERS.

BY ALLEN R. MUNDTH, CONTRIBUTING EDITOR

Jousting between makers of dry and canned pet food will continue well into 1981, from all indications.

Pleased with their continued success in the rapidly growing pet food industry, makers of several dry food varieties tightened their market hold late in 1980 with the introduction of new products, new allowances and bonus packs.

In many regions, makers of highly touted national brands of dry dog and cat food have added one to five pounds to their packages without increasing the price, attempting to appeal to today's more and more price- and value-conscious shopper.

But after watching sales slump for several quarters, makers of canned pet foods are fighting back harder, often with reduced prices and special incentive allowances of their own.

"Canned food people are not going to let the dry folks get away with this for very long," said the buyer for a major East Coast chain headquartered in Connecticut. "Already we're seeing reductions on base prices (for canned food items) to a low-base price. Then they're dealing on top of that," the buyer told SUPERMARKET BUSINESS.

Product proliferate

Throughout the country, buyers have noted the feverish pace at which more and more companies, including producers of generic pet foods, are attempting to squeeze more out of an already-crowded market.

The result, of course, has put the squeeze on grocery wholesalers and supermarket retailers who, faced with enticing offers on new and existing products, must find more and more space to store and display the non-stop product parade.

"The allowances are getting larger and larger all the time," said Mark Lewis, buyer for the 184-store American-Strevell, Inc. chain in Boise, Idaho. "And the bonus pack, which Ralston, Carnation and others have introduced, has been very successful, especially out here where people tend to have large dogs or numerous cats.

"Consumers like the bonus pack because it's clear they're getting more product for less money. We like it because it pushes the product so we don't have to."

The bonus packs have also caught on in other areas of the country.

"They seem to be working quite well," said the buyer for a major Denver chain. "Consumers have accepted them with enthusiasm, and realizing their value to the customers, we of course have accepted them, too. You can generate an awful lot of extra business just by putting more product in the bag," he said.

Shelves squeezed to capacity

The advent of the bonus pack, combined with the profileration of new product introductions since July, has many storerooms and supermarket shelves squeezed to capacity, buyers say.

On the plus side, new pet food intros are now so frequent, numerous and competitive that "fall out" of slow-moving products occurs with scarcely a ripple.

Most buyers said expanded shelf space for pet foods is more often a dream than a reality.

"Our stores average 66 to 72 feet of shelf for pet foods now, but I'd need to increase that to at least 90 feet to do justice to this category," the Connecticut buyer said. Although some stores have expanded space to accommodate the flood of products, most are weeding out slow-movers as manufacturers introduce new products.

Enticing offers

"It causes some problem with space allocation," the Denver buyer said about the rate of new product introductions. "But it's become such a competitive business in terms of advertising, and there are so many brands on the market, that there is usually room for us to drop some items."

Most buyers say they are coping with the inadequate amount of storage and display space for pet foods. With consumers constantly bombarded with broadbased promotional support, buyers say they can't afford to refuse many of the new or revised products being offered by national manufacturers.

"There has been a tremendous number of new dry food introductions in the past six months," said the buyer for a ~~large~~ south Florida chain. "And when you consider the name behind them, the T.V. advertising, newspaper coverage and couponing that they provide, we'd be foolish not to take them."

Jerry Kemps, buyer for the 315-store S.M. Flickinger Co. in Buffalo, New York, speculates that more and more companies, through national advertising, are trying to educate pet owners about animal nutrition.

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Educational process

"There seems to be an educational process going on, and for many of the manufacturers, it has paid off. We've seen more and more of our customers switch over to dry foods, for both dogs and cats," Kemps said. "Many people seem to be concerned about protein, fitness and their pet's overall health."

Generics, of course, are continuing their rapid rise.

"We don't promote the generics, but they are doing very well, especially the larger bags of dry dog food," Kemps said. Kemps also explained the growth of dry in general: Customers find it more convenient to feed their pets dry foods, which are odorless, easier to portion and often result in less waste, he said.

Dry foods popular

In ever-increasing numbers, pet owners are turning away from more costly canned or moist products to cheaper dry food lines.

Exceptions, of course, are persons especially concerned about their pet's health, or those who associate status with pet ownership. They often pay extra to make sure their pets' taste buds and nutritional needs are satisfied.

However, the pet food boom also stems from a decade of social changes that have spelled everything but relief for the grocery industry.

The trend to smaller families, more eating out, less in-home food preparation, more working wives and the changing ideal body concept have had a positive influence on pet food sales, observes William Stiritz, vice president of Ralston Purina's grocery products division.

"It's true that pets have become more important companions in smaller families. And eating out has cut into table scrap availability," Stiritz said.

The phenomenon has forced many major food conglomerates like Ralston Purina, Quaker Oats, Carnation, and General Foods to reallocate resources from low-growth grocery items to high-growth items including pet foods, he adds.

While dry foods, for both dogs and cats, appear to be leading the pet food pack, canned and semi-moist products, especially premium brands, are holding up well, most buyers said.

"Canned foods are stable, but dry sales are increasing every year, perhaps because more and more people are moving into this area," Idaho buyer Lewis said.

Product specialization

Buyers are also seeing more and more product specialization as manufacturers attempt to expand or tighten their share of the market.

More and more often, there are bones, biscuits, wafers and chews for three sizes of pets (small, medium and large); three ages of pets (puppy, junior and senior); and an assortment of items reflecting the varying nutritional needs of different dogs.

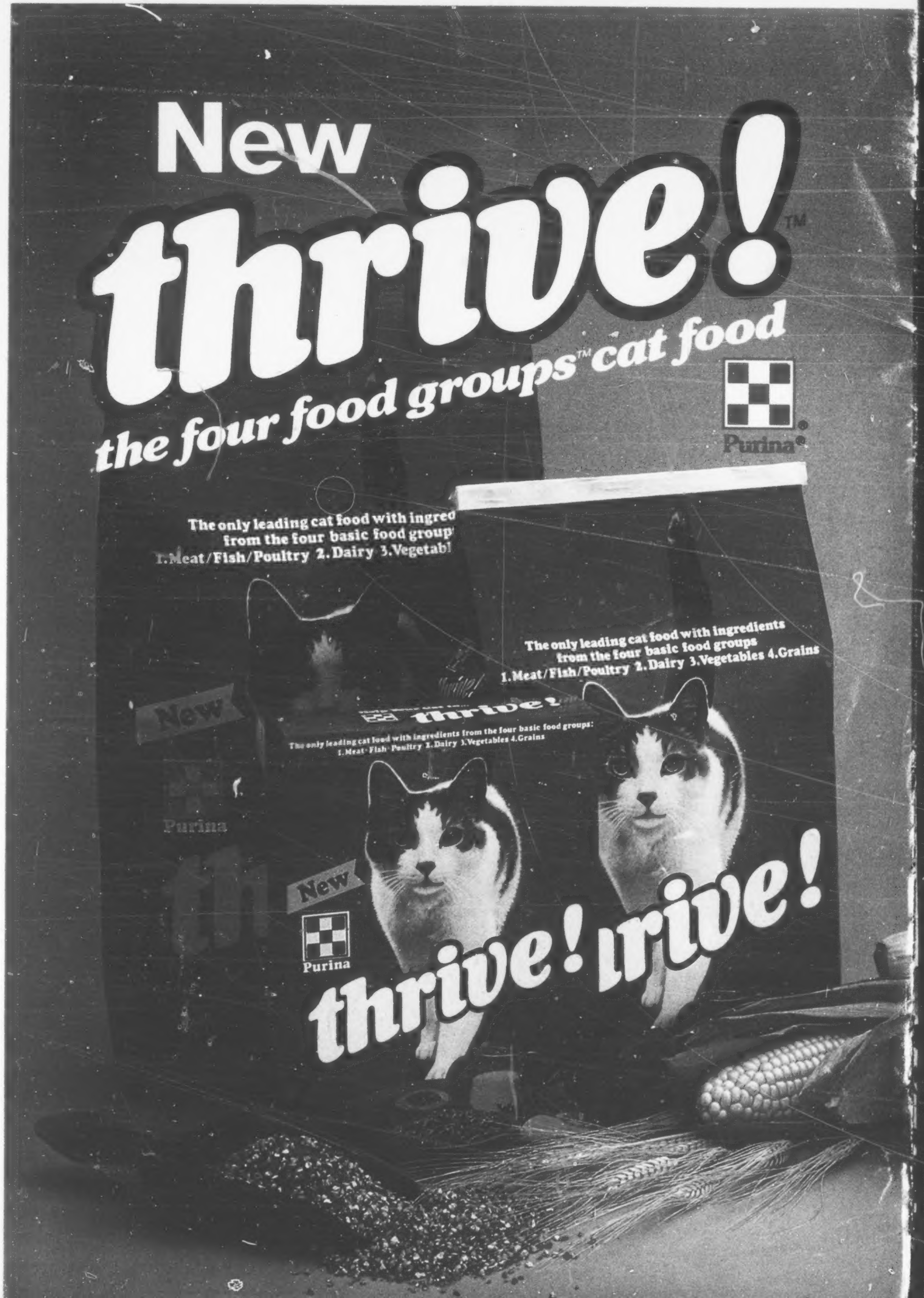
"They're doing everything they can to come up with something new and unique," said a West Coast buyer in Los Angeles. "Not only are they changing sizes, but they're changing ingredient formulas, marketing approaches and advertising efforts. For the size of the category, we're seeing an awful lot of activity out there."

Another buyer said the continued upswing in pet food sales probably reflects the growing number of pet owners in America.

"Our pet food sales just grow and grow," the Connecticut buyer said. "Apparently, there are just more and more animals out there all the time." ■

Retail Dollar Sales (millions) through U.S. retail food stores

Type	1979	1978	1977	1976
Dog food, dry	1245.4	1099.8	999.0	903.0
Dog food, wet/specialty	499.3	472.9	437.0	415.0
Dog food, maintenance	235.8	240.5	248.0	252.0
Dog food, semi-moist	313.0	308.7	319.0	312.0
Dog food, treats	152.6	126.4	110.0	94.1
Cat food, dry	375.6	320.2	288.0	249.0
Cat food, wet/specialty	484.9	444.1	406.0	385.0
Cat food, maintenance	79.8	76.0	75.6	81.3
Cat food, semi-moist	147.7	145.5	137.0	117.0
TOTALS	3534.1	3234.1	3019.6	2808.4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Retail Pound Sales (millions) through U.S. retail food stores

Type	1979	1978	1977	1976
Dog food, dry	4412.0	4164.3	3881.4	3675.4
Dog food, wet/specialty	1141.4	1128.8	1080.1	1060.6
Dog food, maintenance	922.4	1004.3	1098.7	1183.7
Dog food, semi-moist	469.4	496.7	537.6	538.8
Dog food, treats	204.1	183.9	178.0	165.7
Cat food, dry	694.0	646.3	596.8	549.4
Cat food, wet/specialty	266.1	271.2	293.6	334.2
Cat food, maintenance	706.5	677.4	650.0	655.3
Cat food, semi-moist	147.9	157.1	149.2	127.4
TOTALS	**8963.8**	**8730.0**	**8465.4**	**8290.5**

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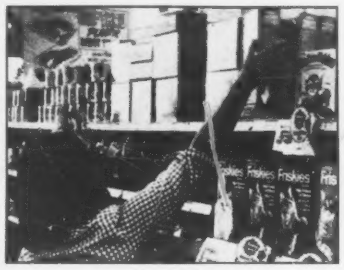
PEOPLE & PETS: MORE & MORE, THE U.S. FAMILY OF FOUR?



More singles, couples and families than ever are adding pets to their households, a recent study by the American Pet Food Institute (PFI) shows.

According to the PFI survey, approximately 55 percent of all U.S. households own—and feed—either a dog or cat, or both. Of that number, about 33 percent own one or more dogs and 12 percent own one or more cats. Approximately 10 percent of the persons surveyed owned at least one dog and one cat.

In 1976, the total estimated family-owned dog population in the U.S. was estimated at 41.3 million animals. The total family-owned cat population in 1976 was estimated at 32.1 million animals. (The PFI is currently updating its national pet census.)

The PFI survey also showed that 20 percent of the persons questioned expected to acquire a dog or cat sometime in the future. Of that number, 80 percent planned on getting a dog; 23 percent said they would prefer a cat.

Most survey respondents said they wanted a pet as a companion for their children.

While some research suggests the number of pet owners in America is stabilizing, psychologists such as Samuel Corson, Ph.D. at Ohio State University, have found that pets will continue to become important companions in our increasingly stressful society.

The latest American Kennel Club (AKC) registrations of dogs and litters seem to support those findings.

During September and October, 1980, the two most recent months for which figures are available, new registrations of dogs and litters edged slightly upward. Dog registrations in September, 1980, totaled 90,000; up sharply from the 77,550 registered in September, 1979. Dog registrations in October, 1980 totaled 88,400 animals, up also from the 88,150 registered in October, 1979.

Registrations for new litters are also on the upswing, according to AKC records. Litter registrations in September were 32,600 compared to 32,050 a year ago; October litter registrations totaled 32,300 compared to 29,700 a year ago.

The figures are for purebred dogs only and do not reflect the millions of unregistered pets throughout the country. Because few cat owners obtain their pets from registered breeders, accurate estimates on the nation's cat population are not easily obtained.

However, the trend toward smaller families and living quarters is expected to boost interest in cat ownership and cat food consumption—in the future. ■

PHOTOGRAPH ON PAGE 37 COURTESY OF HUSSMAN REFRIGERATION

NOTE

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SUPERMARKET BUSINESS

FORMERLY
SUPERMARKETING

VOLUME 36/NUMBER 2
FEBRUARY 1981

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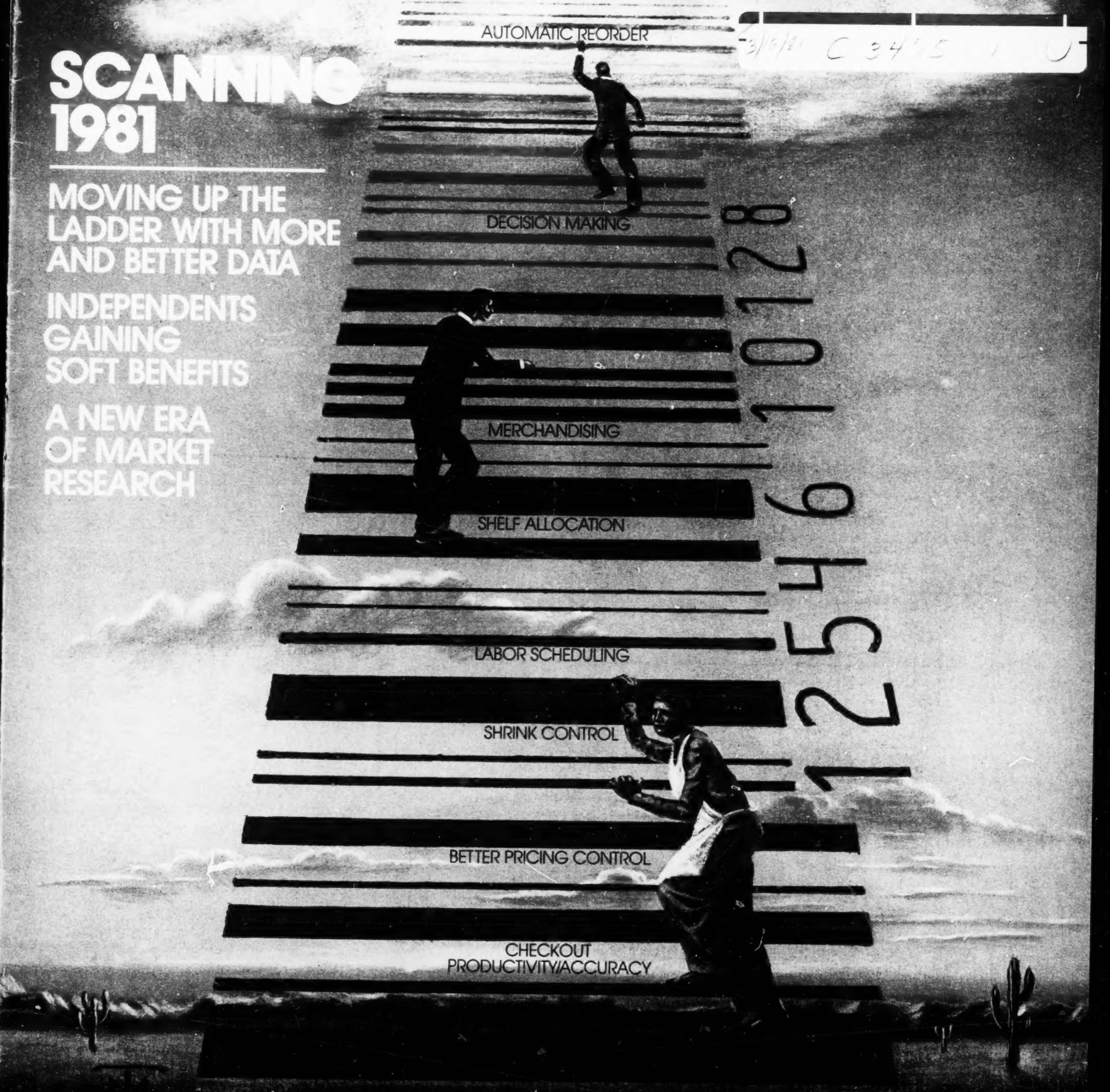
SCANNING 1981

MOVING UP THE LADDER WITH MORE AND BETTER DATA

INDEPENDENTS GAINING SOFT BENEFITS

A NEW ERA OF MARKET RESEARCH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LABOR SCHEDULING
SHRINK CONTROL
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CHECKOUT
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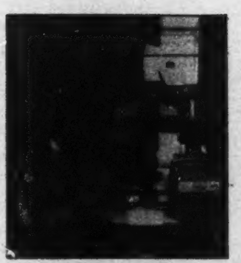

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SCANNING 1981—THE MOMENTUM BUILDS
BY RANDY MCAUSLAND,
CONTRIBUTING EDITOR

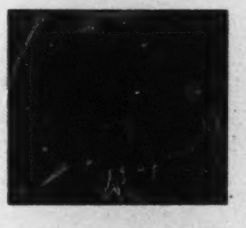
More than 3,000 supermarkets now use optical scanners, and over 5,000 will have units by the end of the year. Operators reap "hard" productivity benefits immediately, but lag in taking advantage of management and marketing potential.

PAGE 14
SCANNING AND MARKET RESEARCH: LONG PROMISED, NOW A REALITY

Scanner-derived UPC data from supermarkets and market research are made for each other. Manufacturers are benefiting most today, but retailers are catching up.

PAGE 18
UP THE SCAN LADDER
BY CAROL FENSHOLT, MANAGING EDITOR

Retailers served by Super Valu, Inc., the nation's largest food wholesaler, are achieving hard scan benefits, and are starting to experiment with data analysis.



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HOW A SINGLE STORE USES SCANNING IN MERCHANDISING

Neil Frank, operator of Shiloh Market in Dayton, Ohio, is far along in building a data bank and developing special summary reports on sales and gross profits of in-store and in-ad specials.

PAGE 28
JULIE ROSE'S SONG: I'LL TAKE MANHATTAN AND A SMALL PIECE OF THE BRONX AND BROOKLYN
BY KEN PARTCH, EDITOR

The "kid from the West Side" marries the boss's daughter and makes good. "It's just a typical American success story," says Julie. How a three-store independent grew to 41 stores with an annual volume of $150 million.

PAGE 41
AUTOMOTIVE AFTERMARKET GOING FULL THROTTLE AT SUPERMARKETS
BY JANICE CHOLPOWICZ, ASSOCIATE EDITOR

Supermarkets led the charge by non-automotive retailers last year, selling car care products to do-it-yourselfers who enjoy the convenience of one-stop shopping, and want auto supplies on supermarket shelves.

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SCANNING
1981
THE MOMENTUM BUILDS

More than 3,000 supermarkets now use optical scanners and over 5,000 will have units by the end of the year. Operators reap "hard" productivity benefits immediately, but lag in taking advantage of management and marketing potential. New generations of equipment provide greater flexibility.

BY RANDOLPH M. N. McAUSLAND, CONTRIBUTING EDITOR

Fed by equipment improvements and program simplification, growth of optical UPC scanning in supermarkets will match or exceed 1980's 66 percent increase in scanner installations.

Scanning system manufacturers, naturally, are confident that their new generation of components and programs will further accelerate growth. More than 3,000 stores now use scanning, and there will be over 5,000 systems in place by year end.

Equipment has become more compact, flexible, and reliable. Even the technology of the laser scanner has been substantially improved. The simplification of vendor software packages, along with a new group of data processing specialists, can help retailers achieve maximum benefits from a scanning system.

Most of the benefits enjoyed by operators using scanners have been of the hard productivity type. But there are signs of life in the previously lagging management and marketing potential of by-product information. (See page XX.)

Wholesalers back scanning

Encouragement of NAWGA and NARGUS coupled with pressure from independents with scanners has spurred wholesalers to take a more supportive role. Essentially, this means developing a "linkage" system to wire in voluntary, cooperative and independent operators to a "host" computer at the wholesale level.

Through marketing research firms, grocery manufacturers are making extensive use of UPC-based sales data. This goes far beyond simply studying categories and analyzing share of market. Among the more sophisticated uses are advertising effectiveness measurements, in-store merchandising tests and shelf-management program development.

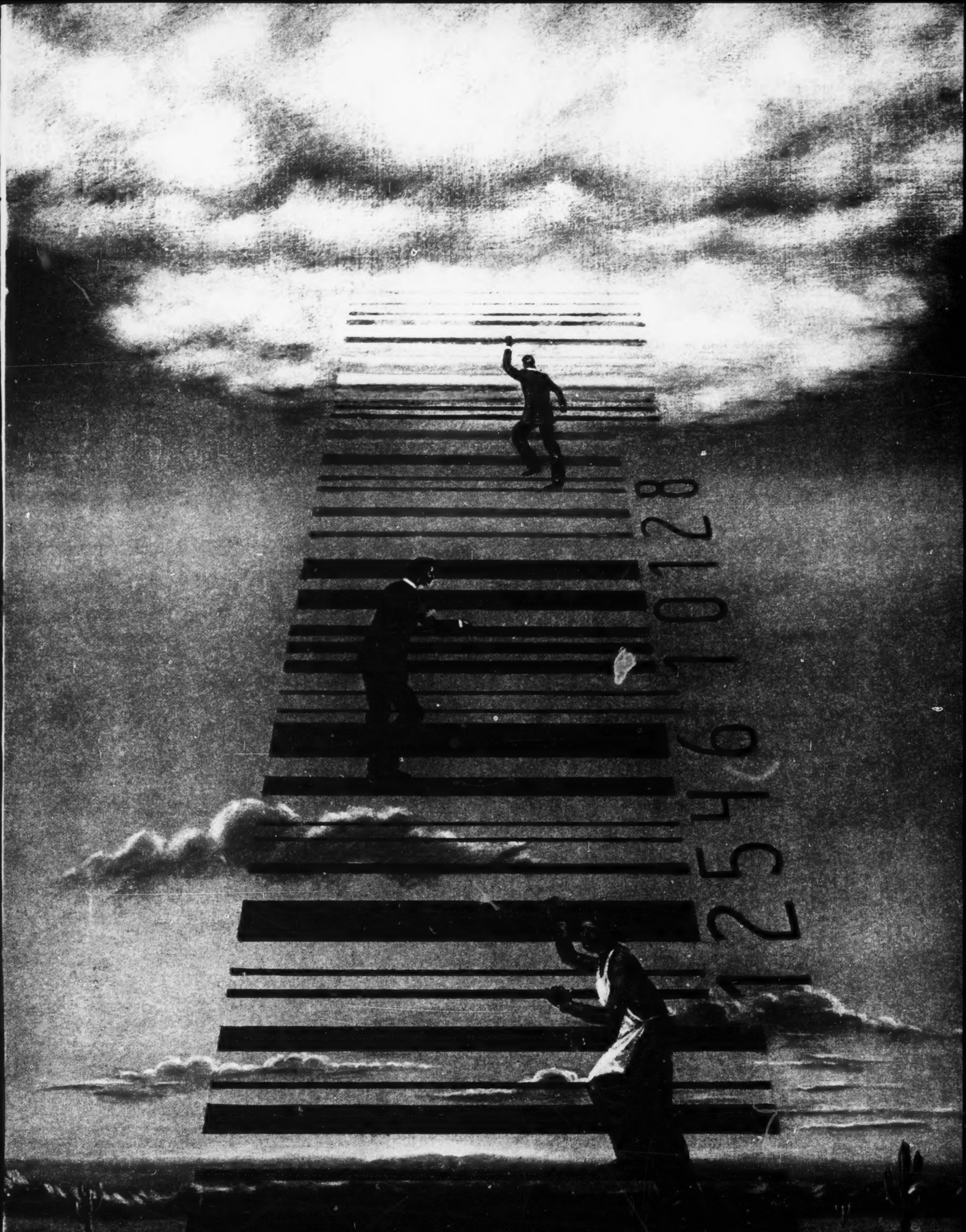
Scanning system manufacturers are bullish about growth prospects this year in spite of the inhibiting effect of sky high interest rates. Money market problems in 1980 did not stop the rate of scanning installations from picking up steadily throughout the year. The first half of 1980 averaged about 125 placements a month, rising to 150 a month over the second half, with highs of 170 and 192 installed in September and October respectively.

Economy retards growth

Forecasts last year indicated that the number of scanning sites would at least double during 1981, but the inability to raise capital has already retarded this growth curve. When the prime rate drops to a more reasonable level, say, 15 percent, suppliers believe pent up demand will be unleashed.

In order for scanning sites to double, monthly installations must average 250 a month. The manufacturing capacity to achieve this is available, but *not* the capital funds. A more probable scenario for 1981 is that monthly installations will average between 170 and 190 sites a month, yielding an increase of 35 to 51 percent over 1980's total. This will represent approximately 15 percent of the industry's total supermarkets.

Continued on page 12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> **"Scanning is now in its second phase. In general, the three areas of equipment improvement are:**
>
> **1. New equipment is technically superior, with a higher level of accuracy, better depth of field, wide angle readability, and greater flexibility.**
>
> **2. Equipment allows for more data processing program capabilities, simple enough to be done in the store.**
>
> **3. Scaled down units with limited functions are now available, appropriate for smaller stores, from both an operational and financial point of view."**
>
> **—Richard E. Shulman, consultant**

Upper left, IBM holographic scanner; upper center, National Semiconductor's modular terminal components; upper right, Sweda's Paging and Velocity Keyboard; lower left, NCR on-line miniprocessing computer enters price changes and unmarked items; lower right, DTS SCAN-ALONE or key entry.

Other factors combining with improved equipment and more appropriate and simpler program packages further the belief in accelerated growth of scanning systems. They are:

- Greater retailer understanding of scanning benefits;
- Stepped-up FMI support and education programs;
- Retailer need to slash operating costs and boost productivity;
- Increased manufacturing capabilities and larger supplier field forces.

Through the expanded scanner system manufacturing capacity, any backlog of orders will be met this year, according to several companies. NCR, for example, now has its own manufacturing facilities, reports Vic Canoni, newly appointed industry director of food and drug distribution.

Technology speeds acceptance

More impressive than the manufacturing capabilities is the dramatic change in scanning component technology. The time span from research and development to pilot project to installation has been cut in half in the last 10 years. The technology involves mini-computers, micro-computers, laser technology, overall compactness and simplicity of program implementation.

Most scanning system makers have designed their equipment to interface with the IBM 370 main frame computers which are the most extensively used throughout the grocery industry. Rumors that some manufacturers cannot link to IBM computers are not true.

National Cash Register is now offering its third generation terminal and fourth generation processors and scanners, says Tony Feno, assistant vice president of food and drug distribution.

No planned obsolescence

All this equipment improvement, however, does not mean that previous software becomes obsolete. NCR explains that "migration path engineering" is responsible for this. What the technical term means is that, in short, new equipment is developed that accommodates the software packages that were developed previously. In an industry application like scanning this is vital, and most scanning systems manufacturers now take into account the evolution factors.

Therefore, a retail operator, after gaining the basic productivity benefits associated with installing scanning at all front ends, can safely take the next steps.

These steps might include labor scheduling, direct store delivery control and gross margin reporting. Such add-ons are often called "value added" applications; value can be added to the overall investment in scanning equipment and software.

Roger Lamb, manager, food industry, Data Terminal Systems, says, "Most retailers who put in scanning today enter on a long learning curve. Simply to achieve the hard benefits and maintain price discipline is a challenge. To impose more complex programs at early stages may in fact even retard gaining first stage productivity benefits."

Hard benefits lead soft

Hard benefits are easily understood and are generally associated with increased speed and accuracy of store operations:

1. Improved checker productivity—faster registration, elimination of price checks and corrections. Variable weight items, hard-to-scan or unscannable items erode checker productivity.

2. More efficient pricing—the substitution of shelf pricing for item pricing. Retailers with scanning are moving only gingerly in this direction, either constrained by local laws or customer acceptance. Value to be achieved from this benefit is lagging.

3. Shrink reduction—system implementation of price changes, elimination of checker pricing errors, better control of direct store delivery items, and more accurate sales tax and food stamping recording. In conjunction with checker productivity, this is an immediate benefit. It depends, though, on strict price change discipline, otherwise an error can be compounded thousands of times. Accuracy here goes to the bottom line and improves cash flow.

4. Decreased bookkeeping time—balance out time is reduced, daily store and department sales are quickly accumulated. In short, store accounting functions are accomplished with ease compared to manual methods.

Other programs such as labor management, gross margin analysis, and automatic reordering can be introduced step by step after it's certain that the previous program is running smoothly, Lamb says. "We suggest this block-building approach. We don't believe it's useful to have equipment and programs waiting in the wings," he adds.

Cleaning up the act

While building a scanning program, retailers have had to deal with physical problems associated with the equipment. These problems, too, are being overcome.

The window through which the laser beam reads the UPC symbol has been a problem. Not only can these windows get dirty, they pick up grease, wax and ink, and get scratched by glass. Because of compensating abilities built into the scanners, a little dirt and a few scratches will not cause the scanner to reject an item. But build-up of a lot of gunk will. Replacing the glass is simple, but not the ideal answer.

Several solutions have been developed and are available with the new generations of equipment.

NCR has covered the glass with a hard plastic plate to eliminate the scratching problem. IBM has turned to a scratch-resistant glass, and other vendors have made similar improvements. Nevertheless, when it comes to scanning, cleanliness is next to godliness—yet another discipline imposed by the systems.

The basic power of the laser scanners has been enhanced. This means 180° readability and a depth of field (or depth of focus) exceeding four inches and reaching to nearly six inches effectively. Both advances in technology make the checker's job simpler, making flexible packages easier to scan and reducing the second and third pass routine.

The most remarkable development is the holographic laser scanner introduced recently by IBM. It reads a full 360°—all the way around a package, a

Scanning benefits: hard and soft

Scanning manufacturers, consultants, and data processing experts refer to the benefits derived from optical scanning as either "hard" or soft." According to "FMI Guide to Scanning," here is what those terms mean:

Hard benefits. Scanning system benefits generally related to the speed and accuracy of store operations, particularly customer checkout and item price marking. Hard benefits typically provide savings in operating costs and improvements in gross margins. Specifically, these are:

- Improved checker productivity.
- More efficient pricing; shelf pricing replaces item pricing where permitted.
- Shrink reduction, including elimination of checker errors, better control of direct store delivery items, and more accurate sales tax recording.
- Decreased bookkeeping time; scanning systems can perform many of the store accounting functions which were previously done manually.

Soft benefits. Scanning benefits related to improved management information and control. Though often hard to quantify, these are:

- Better labor scheduling because customer transaction trends can be accurately measured.
- Improved checker evaluation by analyzing transactions, speed, voids, tender time and accuracy, and idle time.
- Tighter direct store delivery control, [illegible] measurement of item movement, the identification of shrink, and allocation of space.
- Better shelf allocation and automatic reordering; shelf stock and reorder configurations can cut out-of-stocks and boost shelf turnover.
- More effective merchandising by being able to instantly evaluate the impact of ads, in-store merchandising, location changes, and [illegible] promotions.
- Improved information providing a better base for decision making and [illegible] for analysis.

How to learn more about scanning

Here are the information sources for learning more about optical scanning:

- The best overview is the Food Marketing Institute's "Guide to Scanning," prepared by Booz, Allen & Hamilton, and financed by a grant from Thomas J. Lipton. Copies are $5.00 from Research Division, Food Marketing Institute, 1750 K Street NW, Washington, DC 20006.
- For information on FMI's series of seminars on scanning (held in Chicago), contact Bernie Murphy, Director of Education, FMI, same address.

The major manufacturers of scanning systems are:

- Data Cash Systems, Inc., Box 5689, Clearwater, FL 33518.
- Data Terminal Systems, Inc., 124 Acton Street, Maynard, MA 01754.
- International Business Machines (IBM), 1133 Westchester Avenue, White Plains, NY 10604.
- National Cash Register Co., Main & K Streets, Bldg. 26, Dayton, OH 45479.
- Sweda International, Inc., 34 Maple Avenue, Pine Brook, NJ 07058.
- TEC America, Inc., TEC Supermarket Systems, 19250 Van Ness Avenue, Torrance, CA 90510.
- Vidac, 1054 Shary Circle, Concord, CA 94518.

---

technique that will further speed front-end work and accuracy. (Holography produces an image by wavefront reconstruction, using lasers to record the diffraction pattern from three dimensional objects.)

Advances in scanner technologies, of course, solve many of the events that erode a system's efficiency, but even a "perfect" scanner cannot overcome every problem.

Random-weight items, uncoded and unauthorized products, specials, out-of-specification printing of bar codes and large products all represent a problem of one kind or another that rob scanning of its full benefits.

Lingering problems

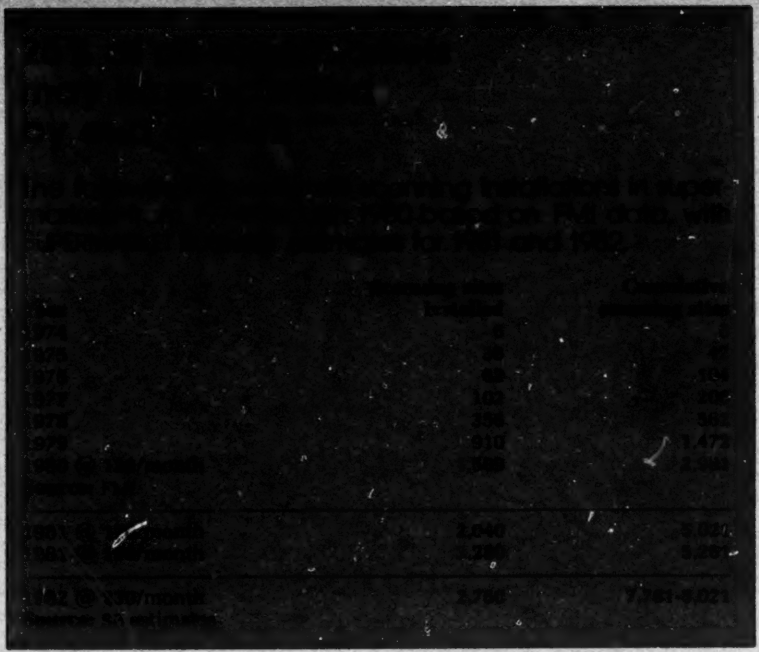
Produce is an area of controversy, and is likely to remain one. Consultants such as Richard Shulman insist that for scanning to truly succeed, all produce must be prepackaged and labeled with the UPC code. Because scanning is an automated system, this is a reasonable request. Many fine retailers, however, swear by bulk produce; in competitive markets, a superior produce program can be a vital traffic-building point of difference. An operator does not have to give this up to scan.

New scale technologies have been integrated into scanning operations to make it as simple and as fast as possible for checkers to weigh and punch in random-weight items.

Several scanning system vendors have short-cuts available—methods that reduce the number of digits the checker must punch for "exception" items.

Sweda's Paging and Velocity Keyboard is one. Essentially a matrix that fits over the keyboard, it eliminates the need to deal with the full set of keys. Composed of two or three pages, the attachment is flipped to the appropriate page (say, for weight items, weekly specials, or hard-to-scan products) and the checker need only punch one key to input the entire code, an efficient way to reduce keypunch errors and speed operations.

Inroads are also being made toward integrating a direct store deliver system for receiving, verification, invoicing and pricing with optical scanning. Guidelines for standardized information will be distributed, but it is up to the DSD vendors to implement the programs, and a little encouragement from retailers may help.



Money market problems in 1980 did not stop the rate of scanning installations from picking up steadily.

According to Ric Dunbar, manager, marketing support, Data Cash Systems, "Because many chains will have scanning systems in place this year, the pressure is on wholesalers to develop linkage services to their retailers. Most equipment and systems suppliers are working with software firms to develop communications systems that will effect an interface between the wholesaler and its independent, voluntary or cooperative members."

The use of a hand-held wand scanner at the back door is one control tool. In general, it has been found that DSD items represent the most common disruption of what must be strict pricing disciplines. Trouble, in short, sneaks in the back door. The biggest headaches are price changes without notification and unauthorized items not stored in the price file.

A good technique is to employ a wand scanner to check samples from every delivery for price; naturally, items not in the store file are caught *before* they roll onto the selling floor, and from there go on to snag the front-end scanners.

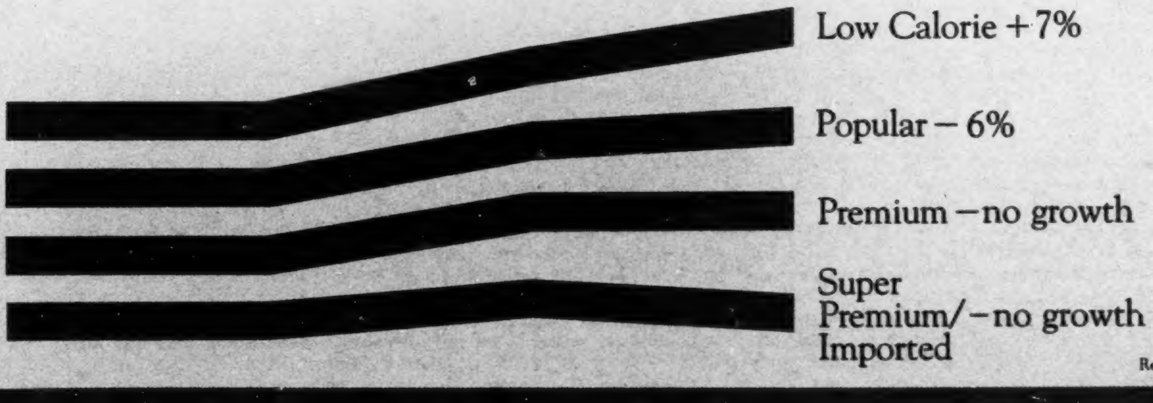
With the new generations of simplified, low-cost wand scanners and terminals, such a control system can be a cost-effective one. ■

Fact 1:

Low calorie is the fastest growing beer segment.

Beer Segments
% increase/decrease in share
May-June 1979 vs May-June 1980*

Share growth of packaged beer segments shown in 11 Coors markets combined.



*Leading Market Research Company.

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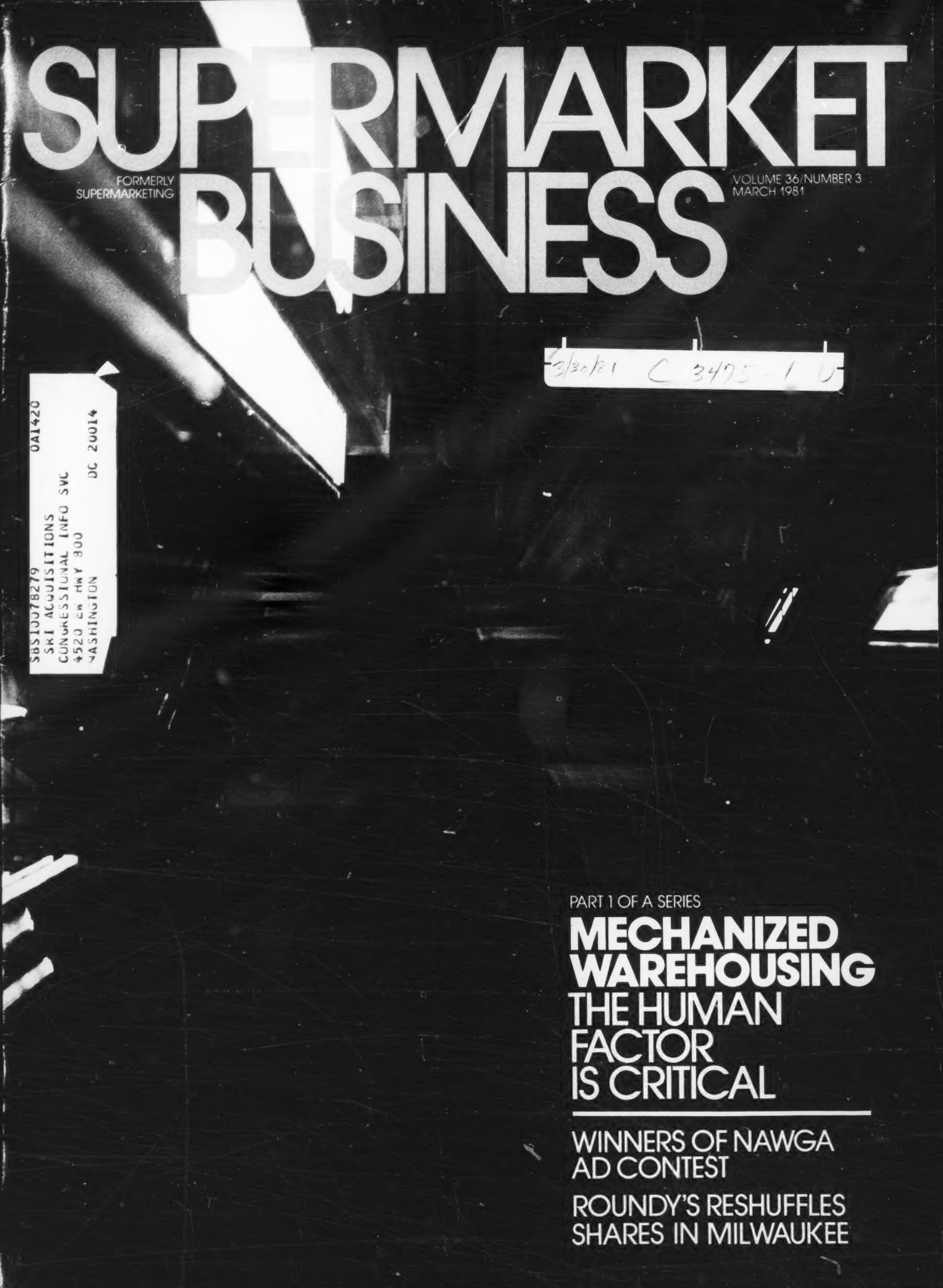

PART 1 OF A SERIES

MECHANIZED WAREHOUSING THE HUMAN FACTOR IS CRITICAL

WINNERS OF NAWGA AD CONTEST

ROUNDY'S RESHUFFLES SHARES IN MILWAUKEE

SUPERMARKET BUSINESS

VOLUME 36
NUMBER 3
MARCH 1981

PAGE 12

PART I—MECHANIZED WAREHOUSING—THE HUMAN FACTOR

BY KEN PARTCH, EDITOR

Going from a conventional, manual warehouse to a mechanized system requires strict new disciplines. Enthusiasm and commitment are also needed from the chief executive to the floor supervisor.

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NAWGA AD CONTEST—STAR WARS

BY CAROL FENSHOLT, MANAGING EDITOR

Winners of this year's NAWGA advertising awards pushed the price button to battle competition—a reversal from last year's institutional approach. What the winners have in common is a clean, bold, direct approach to differentiate them in their markets.

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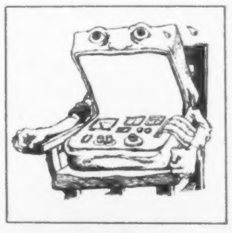
ROUNDY'S RESHUFFLES SHARES IN MILWAUKEE

What happens when a nice, quiet market like Milwaukee suddenly wakes up to find that warehouse stores are pulling the plug on old-time market leaders like Kohl's.



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LIE DETECTORS—IS THIS A SOLUTION THAT FITS THE CRIME?

BY JANICE CHLOPOWICZ, ASSOCIATE EDITOR

Everyone agrees with the problem—internal losses through dishonest employees. But using electronic devices, so-called "lie detectors," to cut potential losses is fraught with controversy.

PAGE 30

IN FRUITS AND VEGETABLES—MORE LIKE IT FRESH

BY RANDY McAUSLAND

American eating habits are changing—health, nutrition, diet and *fresh* are the key words, along with a strong interest in gourmet cooking. The big winner in the supermarket is the produce department.

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CANDY TAKES PRICE PUNCH, AND BAD PRESS, BUT IS STILL A WINNER

Rising prices and a bad image with many can't keep candy down, as manufacturers and retailers fight back with promotions and merchandising.

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TECHNOLOGY

EDI RE-EXAMINED: IT LOOKS GOOD; LET'S GET MOVING

by Richard E. Shulman, technology editor

Whatever happened to the much-heralded concept of "electronic data interchange" (EDI)?

Like many of you, I read with much interest the press announcements last April trumpeting the report of the Joint Industry Task Force on EDI.

The report suggests that the EDI concept—substituting electronic data transmission for manual and paper-based information exchange between grocery manufacturers and distributors—could produce savings of as much as $650 million industrywide (see table).

Of this figure, the nation's food wholesalers and chains would potentially enjoy direct savings of $61 million and indirect savings of as much as $196 million.

Why no interest?

Considering these impressive numbers (the report also suggests that individual companies would have several times their cost to plug into the system, with $300 million-plus companies saving $500.000 and up), the concept of EDI has sustained remarkably little interest. Those projections were released over nine months ago; yet, as I travel throughout the country, no one—and I mean no one—ever brings up the subject.

This lack of excitement made me wonder anew about the entire concept, prompting me to go back and re-read the entire original feasibility report released by Arthur D. Little, Inc.

My conclusion: EDI is an exciting concept that is entirely feasible if spearheaded by manufacturers, supported by distributors and made possible by new program products developed by the software houses serving the food industry.

My observations and rationale for my conclusions follow. (The accompanying story recaps how the concept would work, with savings implications for the food distributor.)

The accompanying table presents a conservative projection of all EDI-produced savings, net of the operating expenses. These benefits are assumed if one-half of all transactions used the EDI process.

Little's analysis of the industry indicates that 20 percent of the nation's wholesalers handle 86 percent of the food distributed through wholesalers to retail outlets. While a comparable share percentage was not presented for chains with their own warehouses, it is realistic to assume that the 80/20 rule applies here, as well.

Accordingly, if the EDI concept were actively supported by a few large food distributors, the projection shown in the table of one-half of all transactions could be reached.

Suppliers must take lead

However, in my opinion, to leave the implementation of EDI to food distributors is to put the cart before the horse. What must come first, I believe, is the manufacturer commitment. The benefits suppliers will enjoy represent two-thirds of the total benefits derived, the sum of manufacturer and broker savings. (Any economies enjoyed by a broker will unquestionably be shared with the manufacturers the broker represents, just as the broker's current fees reflect his current level of support expense.)

Certainly, all of the nation's chains and wholesalers "owe one" to the food manufacturers for their support of the Universal Product Code. That debt will be repaid by supporting the EDI effort.

However, I believe that the majority of food distributors are not willing to commit to the technical cost of supporting this concept at this early stage in the development process.

At the least, these companies will expect a guaranteed list of participating manufacturers before moving ahead with their own plans.

This leads to a secondary issue—the real cost to the chains and wholesalers for developing the program support necessary to use an EDI network.

A.D. Little's analysis proposes that the systems development to support the communications portion of EDI should be no more complex than the effort involved in establishing any teleprocessing network. In my experience that is neither an insignificant nor insurmountable effort.

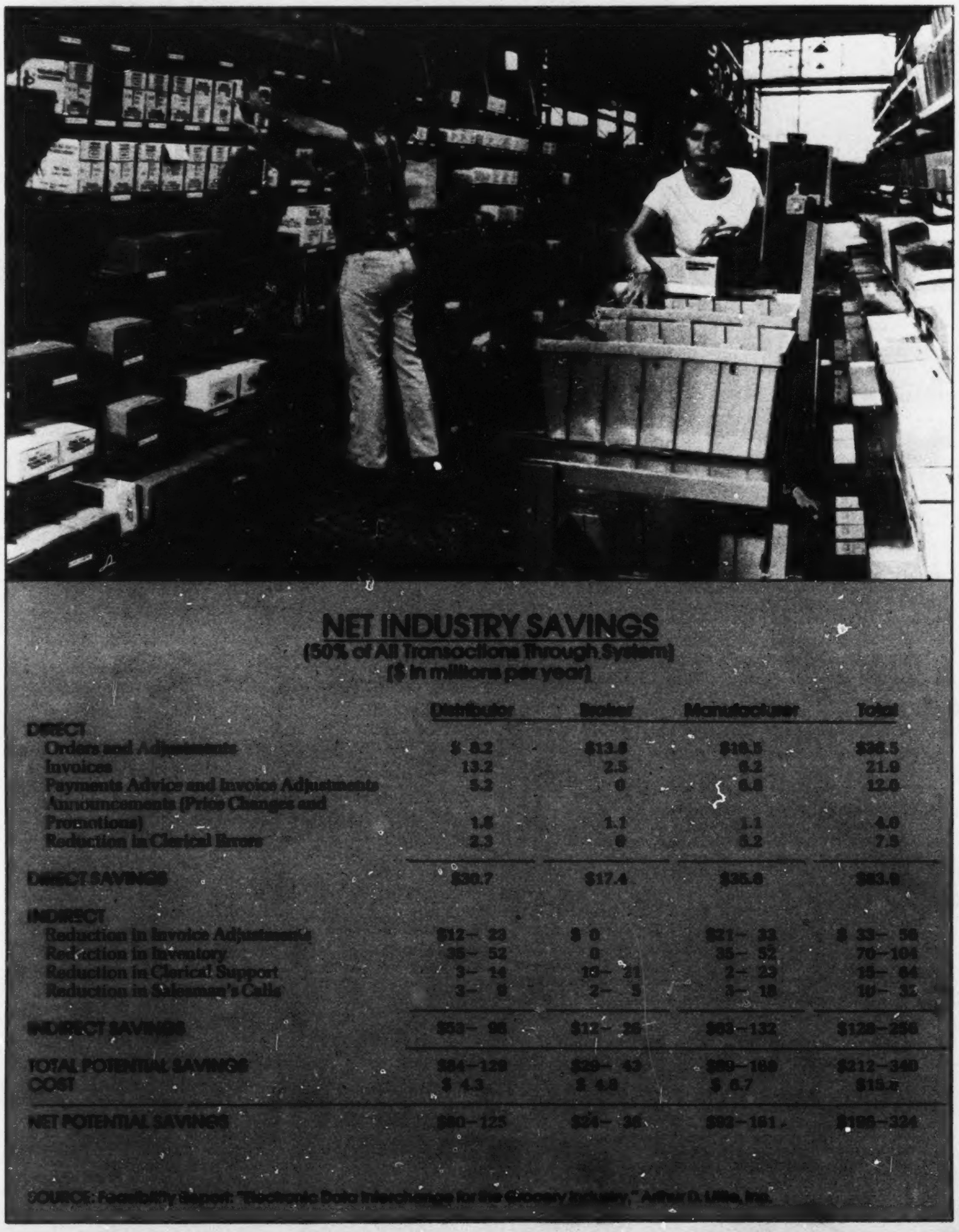
However, the communications network is nothing more than the highway necessary to reach the benefits; it does not by itself create them! Major application systems must be designed and implemented to generate the savings.

Little acknowledges this effort, but prefers not to quantify it.

Instead his report relies on the concept of the "system life cycle to make the cost more justifiable." That is, an assumption is made that every applications system has a normal five-year life. If the new capabilities needed for EDI—both for direct ordering and for electronic invoicing—were implemented at the end point of a five-year cycle, Little estimates that the incremental cost would be modest.

I personally disagree with this approach to applications accounting; computer application systems don't serve us for an aribitrary five years, at which point their useful life ends. Their life cycle depends totally on the demands of the business they serve. As the character of the business changes, pressures are placed on every application; at some point, these pressures force a new applications development effort.

Continued on next page



NET INDUSTRY SAVINGS

(50% of All Transactions Through System)
($ in millions per year)

	Distributor	Broker	Manufacturer	Total
DIRECT				
Orders and Adjustments	$ 8.2	$13.8	$16.5	$38.5
Invoices	13.2	2.5	6.2	21.9
Payments Advice and Invoice Adjustments	5.2	0	6.8	12.0
Announcements (Price Changes and Promotions)	1.8	1.1	1.1	4.0
Reduction in Clerical Errors	2.3	0	5.2	7.5
DIRECT SAVINGS	$30.7	$17.4	$35.8	$83.9
INDIRECT				
Reduction in Invoice Adjustments	$12– 23	$ 0	$21– 33	$ 33– 56
Reduction in Inventory	35– 52	0	35– 52	70–104
Reduction in Clerical Support	3– 14	10– 21	2– 29	15– 64
Reduction in Salesman's Calls	3– 9	2– 5	5– 18	10– 32
INDIRECT SAVINGS	$53– 98	$12– 26	$63–132	$128–256
TOTAL POTENTIAL SAVINGS	$84–129	$29– 43	$99–168	$212–340
COST	$ 4.3	$ 4.8	$ 6.7	$15.8
NET POTENTIAL SAVINGS	$80–125	$24– 38	$92–161	$196–324

SOURCE: Feasibility Report: "Electronic Data Interchange for the Grocery Industry," Arthur D. Little, Inc.

Continued from page 35

To assume that the food industry's movement toward EDI would be timed to coincide with each company's end of a system life cycle is to construct a fatalistic scenario: If system life cycles paced implementation, only the largest companies would respond to the opportunities.

After all, only they would have the resources to commit to a major new systems effort "ahead of schedule," even with the expectation that these pioneering efforts wold have a premature life cycle. If this happens, competitive differences between large and small companies in our industry will become even sharper.

Solution: new program products

I believe that there is an alternative solution that will arise to support the industry's needs. That solution will be new program products developed by software houses serving the food industry. I know of at least one company already developing plans to provide this service, once the industry has defined the message formats and network specifications.

It should be easy for any company to make use of such an EDI program product. If the company has a current open purchase order system, a new and additional program must be written to reformat new entries to this file for transmission to the manufacturer. Changes and new data, prices and invoices coming from the manufacturer would be processed.

If comparison with an original purchase order is required, the program product could access your file in its reformatted version, do the comparisons and then report the differences via internal CRT or hardcopy.

Such a turnkey solution is possible, and could be developed and maintained at a competitive price, thus encouraging all food distributors to move rapidly toward an EDI network.

If you are interested in this potential, let me hear from you. ■

EDI Savings Could Reach $36.2M Yearly

Task force projections put potential distribution EDI savings at $36.2 million a year.

Briefly, here's a recap of how the concept would work:

Orders will be electronically transmitted from the warehouse of the chain or wholesaler directly to the food manufacturer's computer or to an "electronic mailbox".

The "electronic mailbox" would be a "store and retrieve" facility such as a time sharing service or dedicated industry system designated by the manufacturer.

All orders would be sent to the facility; participating manufacturers' computers would call periodically throughout the day to see whether any "mail" was left for them.

Distributors would pay for the data sets and any telephone expense associated with initiating the message, participating manufacturers would pay other costs.

One advantage of EDI comes from faster order adjustment. One recent study indicated that about a third of all orders processed by manufacturers require some form of adjustment. Generally, these adjustments result from manufacturing shortages and must be discussed with the buyer.

However, approximately one-third are routine adjustments that could be electronically passed to the buyer's computer.

But perhaps the most significant EDI savings by the distributor result from electronic transmission of invoices from manufacturer. The specific transmission method is not clearly defined in the documentation, but I would assume that the electronic mailbox concept would be used:

When the distributor has completed transmitting orders to the designated computer service or manufacturer's own computer, he would "pick up" electronic mail left for him.

Almost half of the distributor's direct savings would derive from additional efficiencies realized through processing of these electronic invoices.

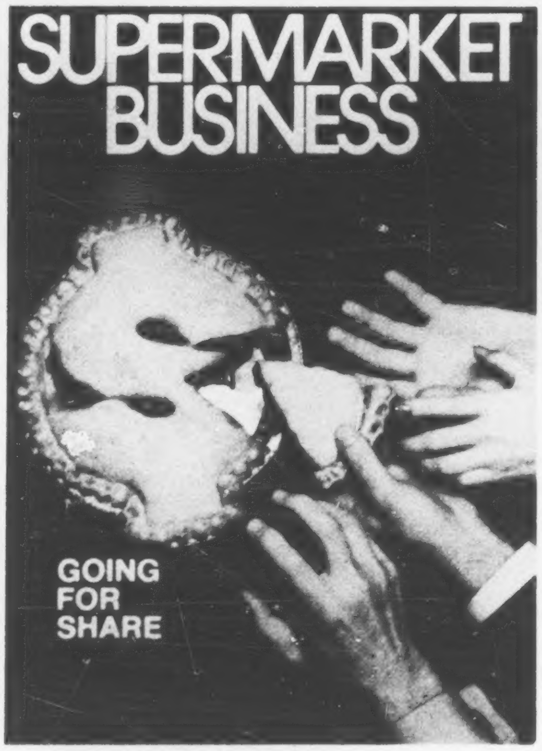
Indirect savings also accrue from electronic invoicing by reducing invoice adjustments due to pricing errors.

Arthur Little estimates that half of all invoices sent by food manufacturers require adjustments, 80 percent of which are due to price errors.

If the manufacturer transmitted all price change data to the distributor electronically, both company's files would be in sync and price differences theoretically eliminated.

Result: a savings of as much as $56 million, with the distributor's share estimated to be as much as 40 percent, or $23 million.

If these projected savings were added to those projected from electronic invoicing ($13.2 million), total food distributor savings could reach $36.2 million a year.



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April: HBA/Gen. Merch./Photo Supplies/Closes 3/2
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ON MARKETING

COUPONING: POWER TOOL FOR THE 1980's...BUT ONLY FOR WELL-INFORMED MARKETERS

by Len Daykin, vice president, Foote, Cone & Belding

Couponing, for all its advantages, wil require marketers to become much sharper and more discerning in their methods, in order to adapt to consumers' changing mentality and demographics.

This will be more difficult as the coupon flood continues to swell. On the other hand, scanner technology—if evaluated in the context of market variables—can be counted on to aid in assessing and revising couponing strategies to make them more efficient and cost-effective.

Analyzing current supermarket sales and Nielsen redemption data suggests that, for every $15 in store sales, only one 10-cent coupon is being used by shoppers.

Based on such data, assumptions are being made that are resulting in an endless stream of new coupon distribution media...and a deluge of new coupons. Cigarette couponing has reached massive proportions; the latest industry word is that liquor marketers will be the next major group of promoters to embrace the store-spendable coupon.

However, we know intuitively (and factually from the data presented in Table 1) that not all shoppers use coupons with equal frequency.

Male shoppers, singles, younger families, poorer families, residents of the South and West Coast all use coupons far less frequently than the "core audience" of more affluent, larger families.

Now, with demograhpic data showing growth in single person households, more male shoppers and continuing migration to Sunbelt states—not to mention a lid on total population growth—it looks as though the country's population is growing in percentage of the type of people who use coupons less often.

Thus, couponing media are being forced to go back repeatedly to the same—and shrinking—well. New media such as in-store coupon handout, in-store T.V. with coupon dispensing machines, coupon bingo games to force readership of coupons in best food day newspapers—all are competing for the heavy-user households that make more trips to the supermarket, buy in larger quantitites and, being more educated and affluent, are aware of the benefits of spending time and effort planning to use coupons to maximum advantage.

In this pool—which Donnelly Marketing's Carol Wright direct mail program restricts to some 18 million (of a total base of 65 million) households, the coupon usage saturation point may already have been reached.

The underlying factors which made the store coupon the promotional *sine qua non*, of the 70's—inflation and stable population growth, for example—haven't changed.

So, what factors have changed or what new factors have emerged, then, to potentially alter the picture?

Coupon user mentality is one. We now have behind us a decade of consumers steadily using a growing number of coupons. During this time, shopper strategies have emerged and goals have changed. For some users, the goal is to amass as many coupons as possible on the brands they use or would be willing to try. For others, the goal is simply to cut the shopping bill as much as possible.

One group maintains brand loyalty, but seeks an endless supply of coupons on those brands to obtain a perpetual price discount. The second group has no brand loyalty at all. With most coupons requiring only a single purchase unit, whatever brand is couponing this week gets the nod.

Accordingly, what may appear to be the accomplishment of trial building objectives in a particular coupon from the marketer's viewpoint may actually be, as some studies suggest, a transient, perishable victory.

Conversion factor critical

How powerful the coupon is as a *conversion* device is, of course, critical to packaged product marketers. Qualitative data suggest that product trial prompted by advertising or by direct exposure via sampling is superior to that generated by couponing.

An NPD Research study conducted in February, 1980 found that, in a control group exposed to a new product by advertising alone, 31.4 percent of families who tried the product went on to repurchase. But among a group of people who received coupons on the product, only 24.8 percent of the brand's triers went on to repurchase.

Table 1

HOW CONSUMERS USE COUPONS *

a statistical profile

	Yes, Use Coupons	No, Don't Use	COUPON USERS REDEEM COUPONS FOR...			
			Reg. Brands	Brands Tried[1]	Brands Aware of [2]	Brands Never Heard of [3]
TOTAL SAMPLE	**69.9%**	**30.1%**	**95.8%**	**42.8%**	**59.4%**	**36.3%**
East	77.0	23.0	74.4	31.2	45.4	26.6
Midwest	74.1	25.8	71.1	30.3	38.9	24.1
South	58.2	41.8	55.0	24.8	35.6	21.7
West	70.4	29.6	67.4	34.6	48.3	30.8
Male	55.3	44.6	53.7	21.4	28.6	21.8
Female	72.7	27.3	69.4	31.5	44.0	26.1
18-34	69.6	30.3	66.5	33.0	44.2	27.2
35-49	68.4	31.6	67.4	27.5	41.4	23.9
50+	70.6	29.4	66.6.	28.4	38.8	24.4
FHH Working	70.3	29.7	66.7	29.4	42.6	26.0
FHH Non-Working	74.1	25.9	79.9	33.1	44.2	26.6
Married	74.0	26.0	71.7	32.6	46.1	27.9
Single	61.7	38.3	57.6	23.9	38.3	23.1
HH Size 1-2	68.1	31.8	63.9	28.3	35.7	22.8
HH Size 3+	71.4	28.6	69.5	31.4	46.8	27.8
Child. Under 18	71.5	28.5	69.6	32.3	45.5	26.9
No Child. Under 18	68.6	31.4	64.9	27.8	38.7	24.2
Under $10M income	64.5	35.5	60.0	28.3	33.3	23.0
$10M-$14,9C9	66.8	33.2	62.2	28.6	40.6	26.2
$15M-$24,999	75.5	24.4	74.1	32.0	46.4	26.4
$25M+	75.1	24.9	74.1	33.2	53.0	30.5

* **SOURCE**: All data in these tables from *Store Coupons: The Product Movers*, a Foote, Cone & Belding analysis of Gallup Organization "Tools in the Marketing Mix" Data.

[1] Brands Tried =Brands tried but not currently using

[2] Brands Aware of = Brands consumer has heard of but has not tried

[3] Brands Never Heard of = New products or brands consumers are unaware of

The two columns of data left of the rule confirm that coupons are more heavily used by larger families with moderate to higher incomes. The South as a region uses coupons far less extensively than the balance of the country. Variation on those who use coupons ranges from a low of 55.3% of all males in the survey, to a high of 77% of all residents in the East.

The remaining section of the table indicates that almost all coupon users will use coupons for their regular products. Recapturing brand use is much more difficult with coupons. Only 43% of the total sample will use coupons for brands they once used or tried, but do not currently use. Consumers are far likelier (59%) to use coupons for brands they're aware of but haven't previously tried, vs. coupons to get them to purchase once again products they've tried and abandoned. The all-important new product category, or brands never heard of, also meshes somewhat with the brands aware of but not yet tried column. Even without prior awareness, coupons are strong enough so that better than one out of three coupon users will use them for new products or unknown brands.

Examining the data demographically, to profile which consumers would be most apt to use coupons for new products, for example, percentages indicate these consumers would be on the East or West Coast, be female, married under 34 years old, with children under 18, and with household income above $15M—the classic "heavy user" household picture.

The converse proved true in a test of a group that purchased on advertising exposure alone versus a group that received a free sample.

Here, 31.8 percent of the advertising-only group went on to repurchase...almost exactly the same results achieved in the coupon test. But 35.7 percent of the group receiving samples went on to repurchase.

The no-frills trend is another factor. This goes hand in hand with the above-mentioned growth of coupon—as opposed to brand—loyalty. No-frills customers are loyal only to the lowest price, represented by both generics and warehouse stores. Their motivation is very similar to that of the "any-brand" coupon user, with the important distinction that coupon users still adhere to the branded product idea; they still see all brands as superior to no-frills.

However, the very success of no-frills products and no-frills stores indicates a deep underlying cynicism about meaningful brand differences.

Losing competitive edge?

Coupons today may be following the same track as the trading stamps of the 1950's and 60's: When every one from supermarkets to bowling alleys to gas stations offered them, they lost their competitive edge.

There is some evidence that marketers are starting to turn from coupons to techniques that better mandate brand loyalty and eliminate misredemption, even if they do not enjoy the same high response rate as the store-spendable coupon. These techniques include high-value refund offers and in-pack coupon sweepstakes games.

Procter & Gamble, for example, is said to be testing a refund promotion with total amounts of $25, $50 and $100 offered for purchase in large quantities of the firm's brands. Such offers work via mailback, reducing the possibility of misredemption to zero since purchase proofs are required up front.

Promotionally oriented marketers have also seized on the in-pack coupon game to combine product sweepstakes excitement with the practicalities of an in-pack coupon. Here again, misredemption is minimized since the scratch-off, lottery-style game pieces are packed inside product cartons.

Support advertising relies on the drama of big sweepstakes-type prizes to focus attention on the offer; up-front purchase is now legitimately mandated to have a chance to win the prizes because everybody "wins" something (although 99.9 percent merely get a store coupon good on the next purchase).

Growth of scanning will bring more change. Scanning provides a near-instantaneous, highly accurate reading of product movement.

According to Nielsen, "Scanner sales data has the potential of being superior in quality to store audit data in several respects. It can be made chronologically precise across stores. Weekly isolation of consumer purchases through scanning can measure promotion weeks, which can be combined for different time frames by individual store to measure the promotion period or other marketing strategies."

Retail price data is obtained through scanning on a more frequent basis, and will reflect weekly features and weekly price changes tied directly to sales.

Scan data can be utilized to evaluate promotions; weekly data can build an information file quite rapidly. Fluctuation will be much greater than monthly or bimonthly reports, which tend to smooth out the effect of a one-week promotion.

Using scanning, the precise sales volume of a product in any given market can be measured as it moves through the checkouts. When coupons incorporate optically readable universal product codes, as many now do, the sales volume tied to the coupon can also be measured with great accuracy. Thus the incremental movement due to the coupon can be evaluated.

A recent study involving scanner data analyzed by both John Blair Marketing and Selling Areas-Marketing, Inc. (SAMI) measured five poducts featured in a Blair freestanding insert in the June 22,1980 issue of the Portland Maine *Sunday Telegram*. The five featured products showed sales increases averaging 58 percent the following week. Specifically, brands increased in this fashion:

Saluto Frozen Entrees	+175%
Kraft Mayonnaise	+ 52
Lever Bros.' Close-Up Toothpaste	+ 31
Ralston-Purina Tender Vittles Cat Food	+ 27
Ralston-Purina Mainstay Dog Food	+ 4

While these numbers indicate some impressive gains for four of the five brands tracked, it can't be stressed too strongly that a one-week, post-coupon sales percentage increase analysis by itself cannot explain the results with truly meaningful perspective.

For example, Saluto Frozen Entrees, as a new product doubtless started from a low base of sales. Thus, a

Table 2

SOURCE OF COUPONS USED
(among the 69.9% of total sample reporting coupon usage)

	COUPON SOURCE				
	Mail	Newspaper	Magazine	On-In Pack	Mfr. In-Store
TOTAL SAMPLE	**68.8%**	**83.0%**	**62.2%**	**61.6%**	**34.9%**
East	56.6	66.0	48.5	49.1	27.6
Midwest	47.9	61.9	41.8	43.5	29.2
South	38.3	46.5	37.6	33.9	14.7
West	50.2	57.4	47.2	47.0	21.9
Male	33.9	47.1	30.7	30.4	18.1
Female	50.8	60.1	45.9	45.5	25.6
18-34	47.1	55.9	45.1	44.2	24.6
35-49	49.6	55.8	42.6	45.1	23.3
50+	47.9	60.8	42.5	40.8	24.8
FHH Working	53.8	58.5	45.6	50.2	26.1
FHH Non-Working	49.5	60.7	46.0	42.7	24.8
Married	53.3	63.2	47.7	47.0	27.4
Single	33.8	50.0	39.3	36.3	15.0
HH Size 1-2	43.6	56.8	40.8	37.7	21.0
HH Size 3+	51.9	58.9	45.8	47.5	27.2
Child. Under 18	51.4	57.2	44.6	47.0	26.3
No Child. Under 18	45.2	58.7	42.4	40.2	22.6
Under $10M income	38.8	51.2	36.0	34.2	17.1
$10M-$14,999	44.4	57.8	41.3	38.9	23.8
$15M-$24,999	56.5	62.9	49.8	50.6	30.1
$25M+	57.9	67.0	51.8	54.3	29.7

Newspapers are by far the primary source of coupons for the entire sample and in every demographic breakdown. More affluent income groups are stronger coupon users of all types, as are larger households and households with children under 18; single people use coupons of all types at much lower rates than married. Age does not seem to be much of a factor in source of coupons used.

COUPON USER STRATEGIES
(among the 69.9% of total sample reporting coupon usage)

Table 3

COMPETITIVE BRAND PURCHASE

If coupons are used for other than regular brand...

	% USING COUPONS
...Coupon must reduce price below the regular brand	65%
Will purchase if price is reduced 1¢	21%
Will purchase if price is reduced 3¢	30%
Will purchase if price is reduced 5¢	41%
Will purchase if price is reduced 10¢	54%
...Product price can be same or higher than regular brand	19%

Most consumers who use coupons for other than their regular brands (two out of three) will only use the coupons if they reduce the price of the product below that of their regular brand, with greater numbers more apt to use coupons the greater the price cut.

Table 4

MULTIPLE PURCHASE ON REGULAR BRANDS

Can multiple purchase requirements enhance use of coupons on regular brands?

	% USING COUPONS
...Consumers will be more likely to use multiple purchase coupon	57%
...Consumers will be less likely to use multiple purchase coupon	20%
...No difference	20%

When a consumer's regular brand is involved, multiple purchase requirement coupons not only provide no barrier, but are obviously more likely to be used than single purchase requirement coupons. Values on multiple purchase requirement coupons are normally skewed to make the option that much more attractive (i.e., 10¢ on one purchase vs. 25¢ on two) to the customer. Multiple purchase as used here does not necessarily connote the "stock-up" syndrome of purchasing quantities above the reasonable norm.

Table 5

MULTIFLE PURCHASE ON COMPETITIVE BRANDS

Can multiple purchase requirements enhance use of coupons on non-regular brands?

	% USING COUPONS
...Consumers will be more likely to use multiple purchase coupon	10%
...Consumers will be less likely to use multiple purchase coupon	72%
...No difference	15%

For anything other than regular brands, a multiple purchase coupon requirement is a definite turn-off to the consumer. Again, many variables influence the decision, such as size of the "reward," overall brand loyalty within the category, etc. But there's enough resistance to make it important for marketers to consider incorporating option of single purchase coupon for trial with multiple purchase for loading, as do twin coupon offers or self-destruct coupon offers, when the goal of the coupon is to maximize volume from both current users and new users.

"By installing Bally Walk-Ins outdoors, we gained indoor display space that helped us increase meat sales by 50%!"

When Bill Dietz renovated his Vermilion, OH, Moats Sparkle Market, two Bally Prefabs were erected outdoors, abutted to the rear of the building. Bill says, "It's not only more convenient for deliveries, but it enabled us to double our indoor meat display area, for a 50% increase in sales."

One of the Bally units is a Cooler for produce; the other, a Freezer/Cooler is used for meats and frozen foods. Since his market is on the coast of Lake Erie, where winters are rough, Bally's ability to withstand the most severe weather conditions is a big advantage. And Dietz adds that "the Walk-Ins are virtually maintenance-free and they save energy."

Bally Walk-Ins can be assembled in any size for indoor or outdoor use from standard metal-clad panels insulated with 4" thick urethane. Easy to enlarge or relocate. Subject to investment tax credit and fast depreciation. (Ask your accountant.)

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relatively small sales increase could produce huge percentage jumps.

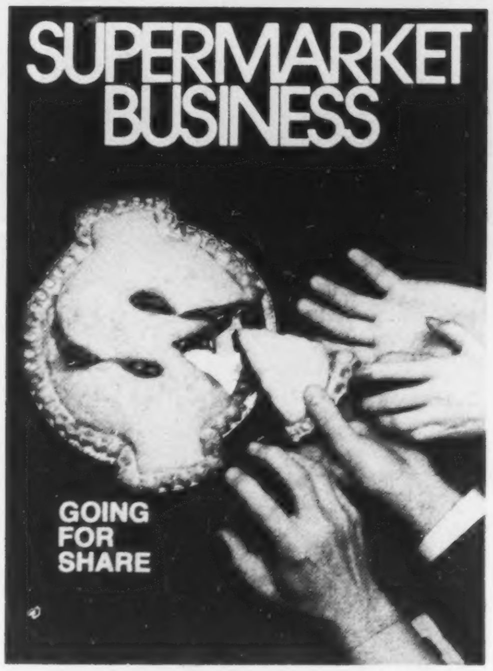
In the case of the established brands showing increases, a continuing sales analysis might show an abnormal and substantial dip in the same brand's sales volume four, six or eight weeks following coupon drop. This suggests that coupon-generated sales increases merely gained the brand a temporary sales peak, only to produce a trough later. (If a purpose of the coupon is to pre-empt or offset competitive activity, then tinkering with a product's normal sales curve via artificial pantry-loading may be acceptable.)

As for Ralston-Purina's "Mainstay" brand, the extent of pet food couponing makes consumer choices so numerous that no one brand can be expected to gain significantly...which is why the 27 percent increase enjoyed by the same firm's "Tender Vittles' cat food is somewhat of a puzzle.

In any event, the point is that scan data must be evaluated with full knowledge of all the variables that affect coupon performance. More widespread reports, over a period of time, should help marketers sort through when, where and in which categories and brands to best use store coupons. This kind of precision will reduce the total number of coupons out in the marketplace, while maximizing the efficiency of each coupon event.

It is the changing mentality of the consumer and the changing technology of the marketplace that together will bring about a re-evaluation in the use of the store-spendable coupon. The result, we believe, will not be the demise of couponing, but a more intelligent, purposeful and informed use for each marketer. ■

MUST READING



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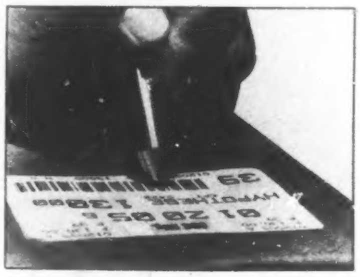
DESIGNER POLE LOWERS LIGHT

Two-arm designer pole permits lowering of each lighting fixture to ground level for cleaning and relamping. Eliminates need for costly scaffolding, ladders or highlift trucks. Designer poles are available with one to four arms and at heights of 15 to 40 ft. Poles are manufactured of anodized aluminum or galvanized steel. Pole features a coordinated square mast, arm and shroud. The clean, sharp lines result from elimination of braces and location of the lowering system components within the shroud. May be combined with a variety of fixtures for parking lots, building exteriors, walks, malls, locks and dams—wherever aesthetics play an important role. SOURCE: Joslyn Mfg. and Supply Co., 4000 East 116th St., Cleveland, Ohio 44105.

HAND-HELD LIGHT PEN READS LOW DENSITY BAR CODES

Hand-held light pen reads low density bar code labels, including dot matrix printed labels, manufacturer says. Model 1241 Ruby Wand reads labels with bars and spaces of 0.014 inches or wider. Scan velocity can be up to 30 inches per second. Other features include synthetic sapphire tip and low power, long life LED light source. SOURCE: Interface Mechanisms, Inc., P.O. Box N, Lynwood, Wash. 98036.



CHECKWEIGHER SIMPLE TO USE

Model 1000 Digital Checkweigher is designed for simpler weighing applications where extensive material handling capabilities and statistical weight data are not required. It is particularly suited to applications in the processed food, bakery, frozen food, dairy and pharmaceutical markets. Checkweigher has unique keyboard entry system, manufacturer says, and is designed for simple operation by

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SUPERMARKET BUSINESS

FORMERLY
SUPERMARKETING

VOLUME 36/NUMBER 5
MAY 1981

ENERGY MANAGEMENT: NEW TACTICS PROMISE BIG SAVINGS

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FMI AT AGE 4:
WORKING WELL,
150 MEMBERS SAY

ST. LOUIS:
THE BATTLE
IS ON

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BPA ABP

PAGE 11
ENERGY COUNTERATTACK

Today, utility costs for a supermarket are piercing 2% of sales mark — more than twice the industry's average net. A "holistic" approach — conservation, more efficient use of energy, and new systems — is needed to manage the meter.

MARKETS IN FLUX
MAY ST. LOUIS 1981
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PAGE 25
ST. LOUIS: THE BATTLE IS ON
BY KEN PARTCH, EDITOR

In January, National dropped stamps and lowered prices, lighting the match in a market made volatile by Aldi and Tom Boy's and General Grocer's box stores.

PAGE 32
BASHAS' FINDS NAVAJO NATION A SUPER NEW LOCATION

Biggest opening-day volume of any Bashas' supermarket so far was generated by its newest store, located in remote Chinle, Arizona on a Navajo reservation. Projected sales from the colorful new unit: $9 million annually.

FMI
FOOD MARKETING INSTITUTE

PAGE 36
150 MEMBERS RATE FOOD MARKETING INSTITUTE
BY CAROL FENSHOLT, MANAGING EDITOR

The merger four years ago of SMI and NAFC created a new organization, FMI, with a new responsibility: to be all things to everybody. Is it succeeding?

PAGE 78
BASKETS BECOME BIG BUSINESS

When the "natural" craze hit, Smith's Food King discovered a nonfoods' "sleeper" — wickerware. Merchandising it as chic, inexpensive decoration is the key to success.

OTHER FEATURES AND COLUMNS

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150 MEMBERS RATE FOOD MARKETING INSTITUTE

Four years ago, NAFC and SMI joined to become Food Marketing Institute. Mission of the merger: to unify the voice of the food industry, and to serve it with education programs and resources. Today, how well do members think it's doing?

BY CAROL FENSHOLT, MANAGING EDITOR

FOOD MARKETING INSTITUTE — VITAL STATISTICS

Brief description:	"A non-profit national food industry association which conducts programs and research in legislation, education and public affairs on behalf of its membership."
Headquarters:	1750 K Street N.W. Washington, D.C. 20006 (202) 452-8444
Established:	January 1, 1977 by merger of the Super Market Institute (SMI) and the National Association of Food Chains (NAFC).
Executive staff:	President and CEO: **Robert O. Aders** Senior vice presidents: **Murray L. Grigg, Timothy Hammonds** Senior vice president/general counsel: **Harry Sullivan** Senior vice president/agricultural counsel: **S. Kent Christensen** Vice president/controller: **Charles W. Bray** Vice president/consumer affairs: **Karen H. Brown** Vice president/education, technology: **John W. Farquhar** Vice president/secretary, treasurer: **Curt Kornblau** Vice president/communications: **Jeffrey R. Prince**
Total staff size:	70-75
Membership:	1,157 food wholesalers and retailers worldwide (as of March 9, 1981). Members collectively operate 17,000 retail food stores with combined annual sales of $90 billion, or half the U.S. total grocery store sales. Two-thirds of FMI's members are independents or regional companies. FMI's foreign membership includes 100 firms representing 37 nations.
Membership requirements:	Ownership of one or more food stores, or wholesaler to food stores.
Annual membership fees:	Based on gross sales. Smallest retailers ($2 million or less annually) pay $100. The largest ($2 billion or more) pay $54,250 plus $10 for every additional $1 million above $2 billion. Wholesalers subtract any sales to FMI members from their dues base, and then pay fees on 50% of this figure.
How governed:	By 63-member board of directors elected by the total membership.
Meetings sponsored:	Annual convention (attendance at this year's gatherings to be held May 3 through 6 in Dallas, is expected to be 16,000; accompanying trade show to feature 650 suppliers). Two national meetings. Approximately 60 seminars and workshops on various subjects and issues, held throughout U.S.

When FMI was started four years ago, the logical question on everybody's mind was, "Can it be all things to all people?"

Could it be both an influential Washington lobby, as had NAFC, and a superb educational organization, as had SMI?

The answer, it seems, is yes. While the members we surveyed had a number of suggestions for improvement, as you'll see, they are over all impressed, satisfied and, some made a point to say, pleasantly surprised by FMI's performance over the past four years.

Below is a brief explanation of how we summed up our 150 respondents' overall assessments, followed by what we were told.

Again, we'd like to sincerely thank all FMI members who gave their time to participate in our survey.

To develop our report card on FMI, SUPERMARKET BUSINESS conducted telephone interviews with CEO's, presidents, vice presidents and, in a few cases, owners, head buyers or merchandisers for 150 retail members of FMI.

To collect a good variety of input and responses, we interviewed an equal number of executives — 30 — from each of five categories in terms of company size:

- 50 or more stores;
- 20 to 49 stores;
- 10 to 19 stores;
- five to nine stores;
- four stores or fewer.

We also tried for good geographic representation, gathering information from companies headquartered in five different areas of the country (see map).

The breakdown is roughly as follows:

- Region 1 (West Coast): 20 interviews;
- Region 2 (Mountain and Midwest): 32 interviews;
- Region 3 (Southwest): 36 interviews;
- Region 4 (South): 31 interviews;
- Region 5 (East Coast): 31 interviews.

Respondents were asked to rate FMI's performance in the "subjects" shown on the accompanying "Report Card." We calculated a letter grade for each subject in this way:

Each of the five possible ratings was assigned a percentage "grade:"

- Excellent — 95%
- Good — 85%
- Adequate — 75%
- Fair — 65%
- Poor — 0 (failing)

These responses were totaled and divided by the number of execs answering each question, both by company size and geographically. (Not all respondents were qualified by personal experience to rate every area; not all had attended every meeting on our list, for instance. For this reason, no question was answered by all 150 interviewees.)

The resulting averages were then averaged again to arrive at an overall (national) rating for each question.

A letter grade was assigned on this basis:

- 95% — A
- 91 to 94% — A−
- 86 to 90% — B+
- 85% — B
- 80 to 84% — B−
- 76 to 79% — C+
- 75% — C
- 70 to 74% — C−
- 66 to 69% — D+
- 65% — D
- 64% or less — F

Overall averages for each question were averaged once again to arrive at a rating for FMI's overall performance. The final "grade point average" produced by all these calculations is 84.1%.

Following are the results for each question, along with some enlightening commentary.

GOVERNMENT RELATIONS ...

"FMI should provide more guidance on how to deal with government on the state and local level. Nationally, they're doing a terrific job."

—vice president, 1,500-store chain

Overall, the 116 executives who rated FMI in this area give its performance on legislation and lobbying a solid "B+". The largest companies — those operating 50 or more stores —

HOW RESPONDENTS RATE FMI PERFORMANCE*

SUBJECT	GRADE
Government relations: legislation, lobbying on issues such as backhaul, Illinois Brick.	B+
Consumer affairs: developing customer relations programs; relating to national consumer groups.	B−
Research: FMI's Food Industry Speaks, coupon compensation study, etc.	B
Information service and library	B+
Education: training programs, materials, seminars.	B
Conventions: Annual convention in Dallas	A−
Public affairs conference	C+
Midwinter executives conference	B+
Media communications: educating the press, such as food editors of major newspapers.	B−
Membership communications: response to members' needs.	B

Source: SUPERMARKET BUSINESS

*See accompanying story for an explanation of how SB developed its report card.

gave the highest marks; this group collectively gives FMI a 91% ("A−").

Executives for firms of all sizes praised FMI's promptness in keeping them informed of proposed or changing legislation, its impact, and FMI's position and action on the issue.

Commented the president of one 50-store chain, "When there's a new bill in process, I hear from FMI about every development."

Many respondents, however, added that they'd like more help at the state and local level.

"We do not always get enough information geared to our own situation," observed the president of a 15-store firm.

While most conceded that FMI is a national organization and that its mission, therefore, must be to deal with issues of national scope, a number said they'd still like to see FMI, as their trade association, show them how to cope with local government in general, even if it can't help them solve specific local problems.

CONSUMER AFFAIRS ...

"FMI's problem in consumer relations is that it — like the grocery industry in general — always seems to wait until it has something negative to respond to."

—president and CEO, 30-store chain

The 121 executives who rated FMI in this area collectively give it an 82% (B−).

Maybe it's because problems with consumers occur right in their stores and local newspapers, requiring immediate response, that executives appear more irritated by their lack of answers when these issues arise and less satisfied by FMI's flanking efforts. Perhaps some respondents also don't know how the media works, and how difficult it is for a special interest group such as the food industry to get its side of the story — no matter how true — published or aired by the media.

Said one exec, who rates FMI's consumer affairs performance as "Fair," "They need to do a lot more communicating with newspapers, T.V. and radio

Continued on next page

Background on the study

Food Marketing Institute was officially launched on January 1, 1977, as the successor organization to Super Market Institute and the National Association of Food Chains. Now, at the relatively young age of four years, SUPERMARKET BUSINESS thought it might be instructive to ask the members of FMI how they rate the new organization in several specific areas of its charter of operations.

We realize that the new mission of FMI includes most of the operations of the former SMI as well as that of NAFC — a tall order. Whereas SMI was largely instructive, educational and research oriented, NAFC was the politically oriented and national lobbying group. More important, whereas NAFC represented, largely, corporate and regional chains, SMI had begun as the representative of smaller independents and multi-unit groups, but later came to incorporate larger chains as well as wholesalers — thus the need to merge both into one.

The intent of the survey was to learn whether or not a merged group *could* be all things to very different kinds of members.

To do this, we made personal calls to 450 retail organizations of varying size and regional location in order to find representative "cells" that would adequately reflect all regions of the country and all sizes of retail organizations. We succeeded in finding 150 such respondents, evenly distributed in each group.

We did not include wholesalers in the sample, since we would have had to construct a whole separate survey for them alone, which would not have related to the other groups.

We think the responses, on the whole, are very positive for a complex organization such as FMI. As you'll see, they indicate a good job is being done in a wide range of activities. Where there are verbatim criticisms, they are largely in the area of "they should be doing more," and are for the most part not critical of what is being done.

We'd like to thank all FMI members who gave their time to participate in our survey. We hope you'll find the results, especially other members' comments, as interesting as we do. ■

FOOD MARKETING INSTITUTE

Continued from page 37

networks to get the truth about prices out."

An operations v.p. offered more specific advice: "We need more publications and more exposure in the media as to how supermarkets actually operate."

A third member, asked how FMI could improve its consumer relations performance, retorted, "Just do a hell of a lot more of it."

Another specific suggestion came from the vice president for operations of a 30-store chain: "FMI should narrow its scope in consumer affairs to regional issues; the national posture it takes is too broad."

For whatever reason, the smallest companies — those operating four or fewer stores — were the most satisfied with FMI's consumer affairs accomplishments; they rated its performance at 88%.

RESEARCH ...

> *"Too many FMI studies are based on national averages; how the heck do you compare New York to Indiana? Results should always be broken down by area."*
>
> —president, 25-store chain

FMI deserves a solid "B" for its research efforts, according to 116 responding members. A number of executives stressed, though, that studies should always be broken down as far as possible — by region and by company size — if they are to be truly informative and useful.

For some reason — perhaps because we mentioned an FMI coupon compensation study as one example of FMI research — a number of respondents to this question took the opportunity to expand on their reply by airing their feelings (mostly hostile) about coupons:

"Outlaw them!" snarled one. Another took a more reasoned approach: "FMI should do more research on the actual costs to us versus the effectiveness of coupons."

INFORMATION SERVICE ...

> *"The information service? ... Get more people to attend."*
>
> —owner, five-store independent

There were quite a number of innocently hilarious comments along the lines of the above. Judging by them, as well as by the smaller number of respondents (109) who were able to rate this service based on personal experience, it seems FMI should work to make more members aware that its library is available.

Grocery executives who have used the service, however, for the most part find it a useful tool, giving it an overall grade of "B+".

One also commented favorably on how quickly he hears about new acquisitions: "I just received information today on what is new at the library," said this president of a 25-store chain.

Others said the library could stand improvement. "Antiquated at best; it's a rehash of publications already available to us," asserted the president of a 20-store chain. Commented a 12-store owner, "Their information should be more complete."

Take advantage of technology, said a vice president for an 860-store chain: "FMI should develop some type of computer-accessible data bank to relay information to members."

EDUCATION ...

> *"I think FMI's programs are too dependent on a few consultants — we hear the same speakers year after year. Let's get some fresh input and new ideas."*
>
> —president and CEO, 300-store chain

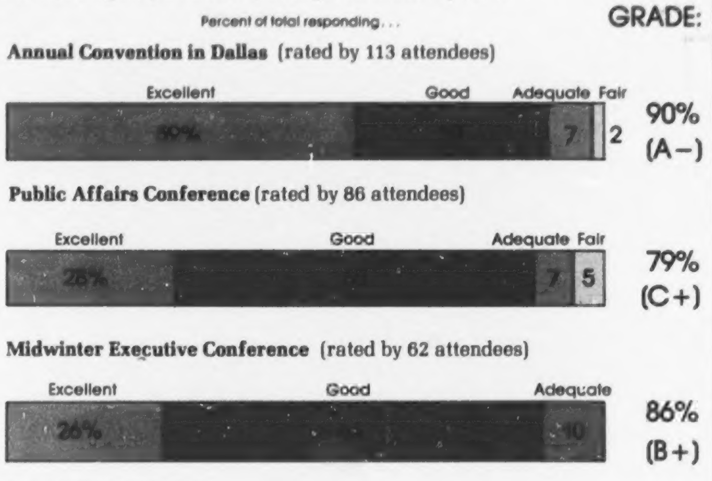
Education — training programs, materials and seminars — earn a solid "B". Most members applaud the job FMI is doing. Almost as many also had suggestions for improvement — since they often spend rather large sums in travel, fees and hotel, members really scrutinize programs for ROI of their time and money.

"I go to conventions to learn. I want all-day seminars, not free afternoons," said a vice president for a 30-store chain.

Continued on page 40

CONVENTIONS

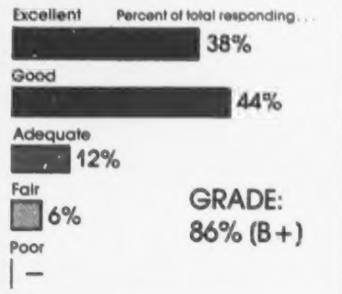
Based on your own or company experience, how would you rate the following major annual meetings conducted by FMI?



Source: SUPERMARKET BUSINESS

GOVERNMENT RELATIONS

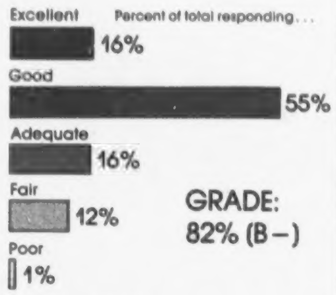
How would you rank FMI's performance on legislation, lobbying on issues such as backhaul, Illinois Brick, etc.?



Total respondents: 116
Source: SUPERMARKET BUSINESS

CONSUMER AFFAIRS

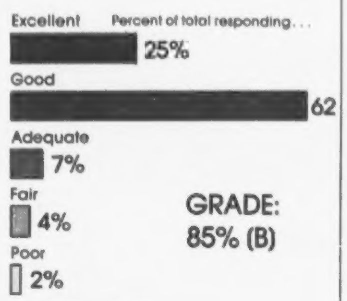
How would you rate FMI's performance in developing customer relations programs and relating to national consumer groups?



Total respondents: 121
Source: SUPERMARKET BUSINESS

RESEARCH

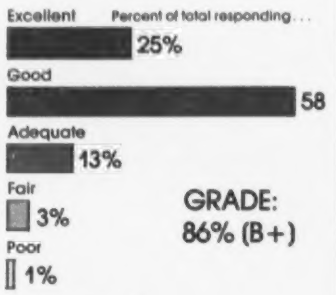
How would you rate FMI's "Food Industry Speaks," coupon compensation study and other research projects, on average?



Total respondents: 116
Source: SUPERMARKET BUSINESS

INFORMATION SERVICE

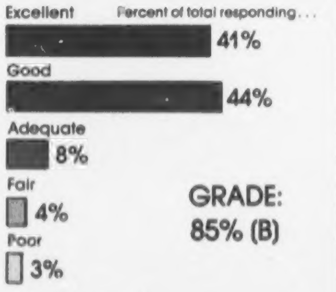
How would you rate FMI's Information Service and library?



Total respondents: 109
Source: SUPERMARKET BUSINESS

EDUCATION

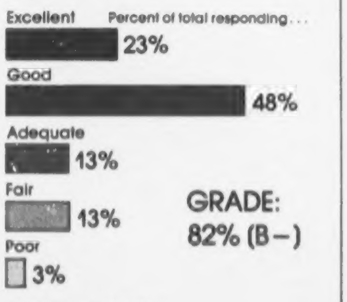
How would you rate FMI's overall education program—its training seminars, materials and workshops?



Total respondents: 115
Source: SUPERMARKET BUSINESS

MEDIA COMMUNICATIONS

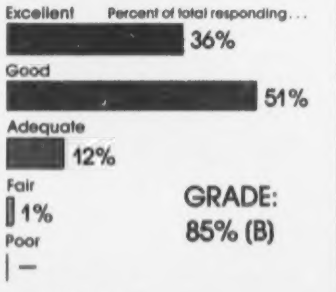
How would you rate the job FMI is doing of educating the press, such as food editors of major newspapers?



Total respondents: 117
Source: SUPERMARKET BUSINESS

MEMBER COMMUNICATIONS

How would your rate FMI's communications with its membership and response to member needs?



Total respondents: 114
Source: SUPERMARKET BUSINESS

FMI

FOOD MARKETING INSTITUTE

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Predictably, size disparity of its members puts FMI's education staff in the thankless position of having to be everything to everybody. Trying to satisfy both large and small companies, they must sometimes feel they're going every which way but right:

- Small (operations vp, 25 stores): "FMI's seminars should get more technical. We're a small company and need this kind of help."
- Large (vp, 900-store chain): "More philosophical material is needed to help us plan for the 1990's."
- Small (eight-store independent): "Many of FMI's seminars tell us what to do, but few tell how when you really get down to it."
- Large (45-store president): "Too many of the seminars we attend teach us how to do things we've been doing for several years."

And then there are people you can satisfy with none of your programs, none of the time:

"I think they should be dropped entirely," flatly asserted the president of a 55-store chain.

Fortunately, other members' problems are easier to solve:

"At FMI's Dallas convention, the doors should be kept closed when the meeting starts. They kept letting people in last year, and this caused a lot of interference," said a three-store independent owner.

No one complained about FMI's seminar fees. But travel costs could become an attendance problem if FMI isn't sensitive to their impact on smaller members especially.

"Quality programs do not require opulent surroundings," stressed a 12-store chain president. He was still wincing from Hyatt Hotel vouchers presented by two seminar returnees.

MEDIA COMMUNICATIONS...

"What do we need from FMI? More of something, because the press doesn't seem to be getting any more knowledgeable."

—president, 25-store chain

FMI gets a "B−" from members for its efforts to educate the consumer media. But many respondents made it very clear that they weren't blaming FMI; in fact, it would probably be more accurate, judging by their follow-up comments, to say that the "B−" was awarded by many members to the press for its ability to learn, rather than to FMI for its efforts to teach:

Said the president of a 40-store chain, "No matter what you do, the press seems to twist it up in the papers. A lot of times this is because the person you're talking to knows nothing about our business. Therefore, they often leave out or add something which really does make a difference, and can make the story unfair."

"They always manage to turn things around," concurred a six-store owner. "I don't know how FMI could do better. I've been trying for years."

And a 50-store president flatly stated: "No one can educate the press."

Other operators think there's some hope:

"FMI should make a point of referring reporters to the retailer. The retailer could do a better job of educating them," said a four-store owner.

"Generate more material," suggested the senior vp of a 38-store chain. "I don't see an awful lot of publicity generated by FMI. The only things that come to mind are articles on the 50th anniversary of the supermarket."

"Hold more press conferences," advised the vice president of an 860-store chain.

"Put out more propaganda on good buys at the supermarket; if it's truly a reader service, the media will pick it up," said the advertising vp for a 100-store chain.

"It's never going to be anything but an uphill battle," a 30-store vp shrugged philosophically. "We're always going to have to go through a lot more effort to make them see our side than they're ever going to make to understand."

Probably the most important question we asked FMI members couldn't be tabulated: "What, in your opinion, is the most important service FMI should be performing for you? How, on the "Excellent" to "Poor" scale, would you rate FMI's success in this area?"

Since we couldn't produce a grade on the answers, we'll let the members speak for themselves, in their own words; here are some representative comments from the FMI members we interviewed, along with their rating of FMI's success in what they said it should be doing. A large majority of comments made concern FMI's political role:

"FMI's most important function? Running interference with the government." (good)

— president, 35-store chain

"Communicating with Washington, and keeping us informed of what's going on on the Hill. The most important thing FMI does for me is provide me with a bulletin on upcoming bills and legislation." (excellent)

"Lobbying in Congress. Protecting the interests of members wherever it would be best." (good)

—owner, 12-store independent

"Monitoring Washington on all

Continued on page 73

Thank You BRAND

THE PROOF OF OUR PUDDING IS NOW DELICIOUSLY FROZEN ON A STICK.

Pudding Treats. The newest idea from Thank You Brand.

They're smooth and creamy, with real pudding wholesomeness your customers can enjoy by simply reaching into the freezer.

And here's the best part - they're available for immediate delivery.

Position them in the frozen dessert or novelty section. Or both. Pudding Treats will deliver new profit wherever you put them.

We're introducing Pudding Treats in chocolate, banana and vanilla flavors each as rich as our regular puddings, a flavor quality not usually found in regular frozen novelties. The convenient combination 12 pack includes six each of chocolate and banana or six each of chocolate and vanilla. And a special twelve pack of chocolate Pudding Treats with banana centers. You'll want to stock all three packages.

Eye appealing packaging, colorful point-of-purchase and one of the most extensive introductory promotion programs in the country will work for you when you stock Thank You Brand Pudding Treats.

For more information, contact your broker or call Michigan Fruit Canners. 616/927-4411.

Thank You Brand Pudding Treats. The proof of our pudding means new profit for you.

MICHIGAN FRUIT CANNERS
P.O. Box 1506 BENTON HARBOR, MICHIGAN 49022
Division of Curtice-Burns, Inc.

FOOD MARKETING INSTITUTE

Continued from page 40

things concerning the grocery industry." (good)
—vice president, 60-store chain

"Keeping the government off our backs." (good)
—president and CEO, 250-store chain

"Helping to create an atmosphere of free enterprise. I don't want any favors from the government." (adequate)
—president, 15-store chain

"Lobbying for laws fulfilling business objectives." (good)
—president and CEO, two-store independent

"Keeping us aware of changing customer demands, and how to improve customer relations." (excellent)
—president, 10-store independent

"Conducting seminars and providing material geared to small chains." (excellent)
—president, 12-store chain

"Keeping us alerted to energy cost rises and new techniques for managing energy." (fair)
—owner, six-store independent

"Building consumer awareness. I would like to see FMI put out more publications about the business for the consumer." (adequate)
—owner, 10-store independent

"Collecting information on labor unions. Publicizing what they're doing to the economy and to business. Pointing out the contributions they have made to inflation." (fair)
—president, 20-store chain

"Giving us comparative data so we can see how we stack up against other companies, and how we can improve." (adequate)
—operations vp, 25-store chain

"Letting us know what the larger chains are doing, especially with scanning." (excellent)
—president and CEO, four-store independent

"Providing ideas for different approaches to product merchandising. More marketing analyses; I would like to know what's being done nationwide in marketing." (good)
—president and CEO, 45-store chain

"Promoting better communications among retailers, wholesalers and manufacturers." (adequate)
—president and CEO, 300-store chain

"Helping us get through government paperwork." (adequate)
—vp, 31-store chain

"Responding quickly to our requests for information and help." (good)
—senior vp, 37-store chain

AFTERTHOUGHTS ...

"Is FMI performing the services and really filling the need they claim to be? Or are we paying high membership fees, like taxes, for something we really aren't getting?"
—president, 55-store chain

All in all, members feel quite strongly about FMI...and they didn't hesitate to take the opportunity we offered ("Do you have any other thoughts or comments about FMI?" we asked at the end of our survey) to voice their opinions, and on how to improve it.

Following are some verbatim comments which, taken together, provide a sampling of food for thought:

"FMI is very good. The staff keeps us informed about anything and everything that's happening in the grocery industry."
—vp, 50-store chain

"FMI? Let me instead suggest our own group, the Northern California Grocers Association — they're great."
—president, 25-store chain

"FMI did a great job on backhaul."
—vp, operations, 49-store chain

"FMI is very helpful and cooperative. Whenever we've had a problem, they've been very good about following up and helping us solve it."
—president, 25-store chain

"Their attitude over the last several years has turned me off; I somehow don't think they're truly interested in me or my business."
—president, 60-store chain

"FMI is very responsive to the needs of both large and small retailers."
—senior vp, 88-store chain

"They do a very good job of responding to member requests."
—advertising director, 70-store chain

"It has improved since it started, but that doesn't mean it can't get still better."
—president and CEO, 14-store chain

"FMI is 100% better than I thought it would be at the time of the merger."
—president and CEO, 36-store chain

"I'm looking forward to the convention in Dallas."
—chairman, 40-store chain

...And so are we — to seeing old friends, making new ones (some of you who participated in our survey, we hope), learning a lot, and having fun. As one member recommends to FMI, "Keep up the good work." ■

Janet Dailey gives her heart to Silhouette Romances.

America's best-selling romance author joins America's fastest-growing contemporary romance publisher to win you more profits than ever before!

Success builds success: Silhouette Romances, Janet Dailey and you. The Silhouette Romances line has sold 9½ million copies in six months and projects sales of 20 million copies by year end. We plan to double that with 40 million copies sold in our second year. We're young, but we're growing fast. Janet Dailey is part of this success, and you should be, too. In addition to increased volume, Silhouette Romances offer guaranteed sales, high margins and high inventory turns on repeat purchases. *That* means profit success for you.

Starting this June, Janet Dailey's sales success comes to you from Silhouette. Janet Dailey's novels have sold more than 80 million copies in 90 countries. Four of her recent titles have made *The New York Times* best-seller list with more than four million copies sold so far. She receives more than 100 reader letters a day and has a growing fan club with 20,000-plus members. This June, Silhouette releases *The Hostage Bride*, the first Janet Dailey title in a continuing series. It's sure to be an outstanding sales winner in true Janet Dailey/Silhouette tradition.

Silhouette Romances continue successful growth with full marketing support. Three exciting new television commercials run both during the day and in prime time at increased spending levels for greater reach and frequency. Our multi-million-dollar schedule also includes print ads in top women's magazines.

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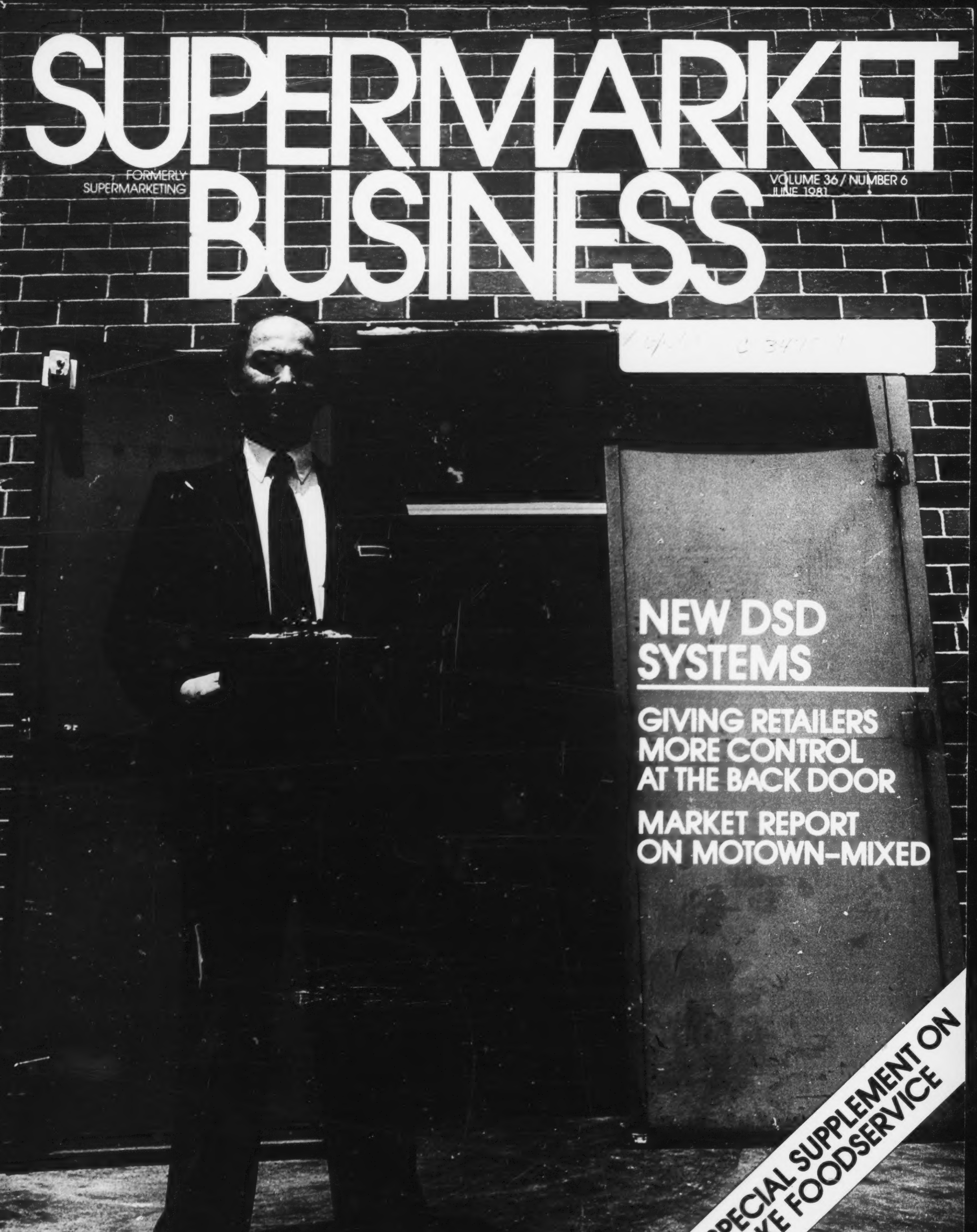
VOLUME 36 / NUMBER 6
JUNE 1981



NEW DSD SYSTEMS

GIVING RETAILERS MORE CONTROL AT THE BACK DOOR

MARKET REPORT ON MOTOWN–MIXED

INSTORE–SPECIAL SUPPLEMENT ON DELI/BAKE FOODSERVICE

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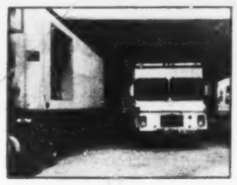
SUPERMARKET BUSINESS

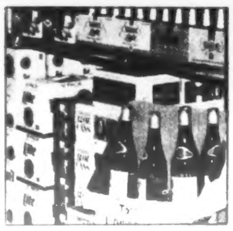
VOLUME 36
NUMBER 6
JUNE 1981

MARKETS IN FLUX
DETROIT
SUPERMARKET BUSINESS

PAGE 17
MARKET REPORT ON MOTOWN: MIXED
BY HELEN MAY, ASSOCIATE EDITOR
Detroit right now is a severe test of any supermarketer's mettle. But things could be worse — people don't have to drive, but they do have to eat.



PAGE 21
DIRECT STORE DELIVERY: GAINING CONTROL AT STORE LEVEL
New tools, better systems and more cooperation by all involved are giving retailers an unprecedented handle on the back door. The result: Less loss, more profit.



PAGE 33
BEER & WINE: SALES MAKE MERCHANDISERS MELLOW
Beer sales reportedly leveled off for the first quarter of this year, but retailers anticipate a big summer boom. In both beer and wine, the question is not how well they'll sell, but how to streamline and stock the proliferating product mix.

PAGE 37
RECESSION-PROOF SNACKS GET MORE SPACE
Has the economy put the crunch on snack sales? Not by a long shot, say retailers. Cornbased snacks are doing especially well, perhaps because potato and peanut crop losses have pushed other products comparatively higher. The forecast: Continued overall growth.

GENE O'NEILL

PAGE 41
CLOSE-UP ON GENE O'NEILL
BY KEN PARTCH, EDITOR
The St. Louis market cauldron continues to boil, but the challenge seems to make General Grocer stronger. Chairman and president Gene O'Neill tells how the company has planned for survival of itself and its members.

AN HOUR WITH JIM McNU[illegible]
[illegible]

InStore

[illegible] IN-STORE SUPPLEMENT
[illegible] profit-packed information on [illegible]
[illegible] bakery, foodservice operations

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Deli Survey

Recent market investigations indicate significant expansion in both supermarket delicatessens and in-store bakeries. Combined, it is estimated that these two departments are contributing in excess of $6 billion annually to the nation's supermarket business.

By Larry Jenkins
InStore Publishing Director

In the highly competitive business of food retailing, supermarkets are increasingly turning to service departments as a means to gain and/or retain market shares. Service delicatessens and in-store bakeries have proven to be effective tools in the retailer's arsenal to build traffic and generate customer loyalty by offering the consumer something which makes the shopping experience more complete.

Recent market surveys tend to bear this fact out: supermarket chains are demonstrating their belief in service deli's and bakeries through both an upgrading of existing departments, and the addition of new facilities. The results are beginning to show up both in terms of increased visibility and in terms of actual market size statistics.

Similar estimates made by InStore Magazine now place the number of service delicatessens at between 13,000 and 15,000 with a total estimated sales volume of around $4.0 billion annually.

In an effort to gain a complete understanding of the total deli-bake-food-service segment operating in today's supermarkets, InStore Magazine, in cooperation with Applied Marketing Concepts, Inc., a Minneapolis based marketing research firm, has taken part in a major on-going investigation of the delicatessen sector (see box). Although the final results are yet to be tabulated, preparatory findings are beginning to shed light on the dynamics of this vibrant and growing sector of the food retailing industry.

Going Beyond the Traditional Deli

In tracing the history of food store delicatessens, it should come as no surprise that even the earliest supermarkets offered deli services. During the early 1930's for example, when the grocery industry was transforming from one comprised of local specialized retail food outlets, to one that is dominated by centralized "Supers," ethnic delicatessens thrived by the tens of thousands in many of the central cities. For those supermarkets serving central city populations, it was only natural to have a delicatessen department as an extension of the complete food retailing concept.

26Q

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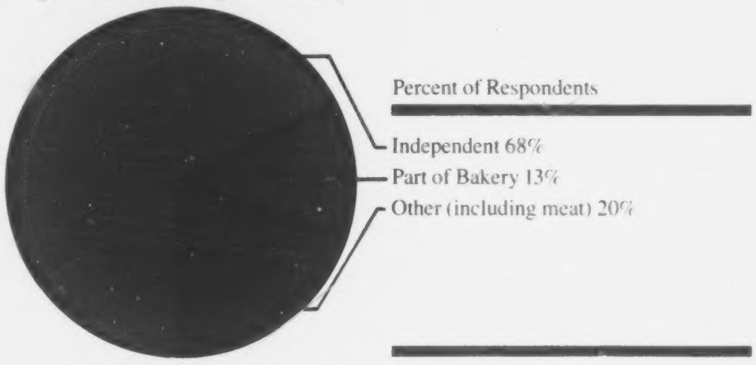
Recent surveys have placed the number of in-store "hot" bakeries operating in supermarkets at roughly 11,000 units with annual sales of $2.0 billion, up 30 percent from the previous year.

Although the genesis of food store deli's can be traced to some of the original supermarkets, their modern day counterparts must certainly be attributed to something more than a rekindled interest in ethnic delicatessen food. Most industry analysts tend to agree that the modern day deli phenomenon is the grocery industry's response to the increased eating out behavior of the general public and the corresponding loss of food expenditures at the retail level.

Indeed, in an attempt to recapture some of the lost food dollars, many of the so called food store deli's barely resemble a traditional delicatessen with offerings ranging from fast-food hamburgers and french fries to full-service, in-store, sit-down facilities complete with breakfast, lunch, and dinner menus.

Deli Operations Run Independently or part of Bakery or Dairy?

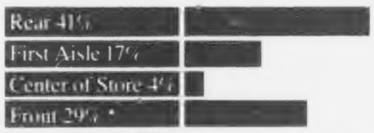


Working Wives Seek Convenience

By offering a variety of hot and ready to serve foods, the food store deli market is capitalizing on the very same population trends that have so greatly influenced the tremendous expansion of the foodservice industry during the past decade. Increasing numbers of working wives and the swelling ranks of singles has created a new market which demands convenient, ready to eat foods. This, supplemented with the heightened awareness of and expressed desire for natural, home-cooked type foods, make the grocery store delicatessen setting an ideal vehicle for catering to the complete food needs of the American family of the 80's.

It is this unique feature of the modern day food store deli that has spurred on the rapid regrowth of the delicatessen market and virtually assures even greater expansion within the grocery industry for the foreseeable future. In turn, it is this apparent growth-to-date and promise for future expansion which quite likely makes the food store deli market one of the more significant potential opportunities for retailers and food manufacturers alike.

What Part of The Store Are Your Delis Located



Due in part to the relative newness of the modern day in-store delicatessen market, and also to its apparent diversities, little is actually known about the market as a whole in terms of its size, structure, and characteristics. This limitation, however, is beginning to be alleviated as market researchers begin calibrating their measuring instruments for in-store service departments. In preparation for a larger scale study, an extensive secondary data search and a survey of 100 top chain-store executives has been undertaken. Whereas the findings from these preliminary investigations may not be substituted for hard core research data, it does provide ample evidence that substantial growth is taking place in food store delicatessens.

In examining the organizational structure of in-store deli's, it appears that most are operated independently of other departments. Respondents said 68 percent are independent, and that 91 percent have a separate deli manager to run the department. When operated with other departments, headquarters people report that 18 percent belong to the meat department, 13 percent to the bakery, and the remainder scattered to such diverse positions as the liquor department.

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Circle Reply Card No. 170

Chains Maintain Tight Control

Chains maintain tight control over operations, with nine out of ten indicating that buying decisions are made at headquarters and virtually all reporting that they have an approved buying list.

Service departments require a healthy commitment to labor. Of those surveyed, the average deli was staffed with the equivalent of five full-time employees. Some of the larger deli's are reportedly staffed with as many as ten and even 20 employees.

Determining the estimated dollar volume of deli operations is sometimes difficult because there is a reluctance on the part of chains to report their sales. Given the amounts quoted by respondents and tempered with data on employees, store sizes and equipment, InStore arrived at $5,000 as the average store weekly sales for a service deli operation. In answering the direct question, well over half said their deli's did from $4,000 to $6,000 in weekly sales. Larger stores were in the $7,000 to $10,000 range. Only one in ten chains reported their average weekly deli department sales exceeded $10,000.

Managers mostly said they were pleased with deli's which operated with a gross margin in the 35 to 45 percent range.

Most Locate Deli's In Perimeter Area

Over 90 percent of the respondents indicated their deli's were on the perimeter of the store. Only a few said they were in the center or other special location. In general, deli's are found either in the rear of the store or in the front. Some 29 percent of the respondents said their operations were in the front of the store and 17 percent reportedly were located in the first aisle. A total of 41 percent said their operations were in the rear of the store with an additional 4 percent reporting installations in the last aisle.

The survey showed that the average combination deli will have from 26 to 32 feet of display cases. The cases are combinations of enclosed and open self-service cases.

Of the two-thirds reporting sales of hot foods, most (50 percent) did so from 10 to 12 foot cases. This would mean there are roughly eight steam table pan positions for merchandising. The next popular selling size would be from six to eight feet.

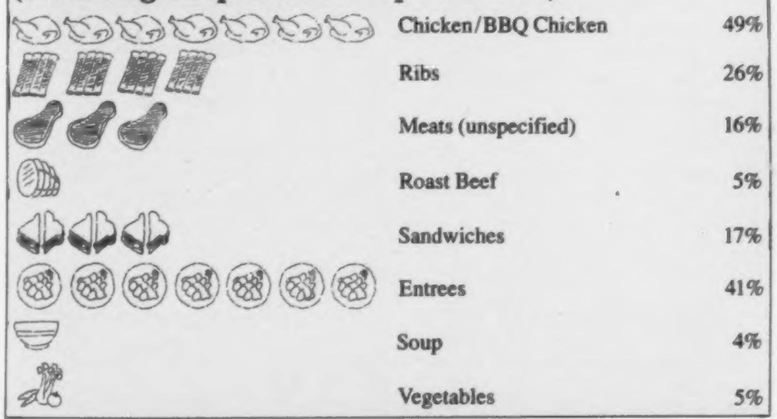
Cold cases are much larger, reflecting the increased merchandising of random weight cheeses. Well over half of the respondents said they work from cases that run from 16 to 20 feet. The large volume deli's, those doing $10,000 per week and above, were using between 32 and 35 feet of refrigerated cases.

Types of foods sold in the deli reveal few surprises, except for the reported soup sales and demand for hot entrees.

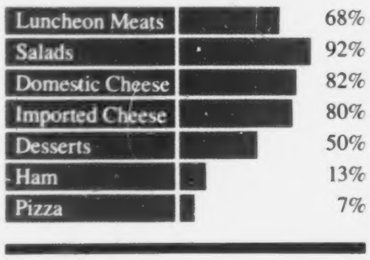
Most Sell Chicken and Ribs

Of the two-thirds of the respondents reporting hot food sales, 80 percent sold fried or roasted chicken and over 50 percent offered ribs. Well over 70 percent reported sales of hot entrees. The remainder of sales were (in order of importance), meats (roast beef, sausage, ham) sandwiches, vegetables, and soup.

Popular Hot Deli Foods (Percentages represent multiple answers)



Popular Cold Deli Foods (percentages represent multiple answers)



The surprises in the cold deli cases resulted from the strength of reported sales of salads and imported cheeses. Headquarters managers told researchers

Land O'Lakes... the deli promotion people

. . . with the point-of-purchase pieces that push your pickles, pastrami, and potato salad too.

We've got consumer sales promotions for every season, all year round. Deli recipes featuring several deli products in each one. Premium offers. Promotion posters. Price feature cards. Merchandise banners. Who else but Land O'Lakes could do it so well?

LAND O LAKES DELI-CHEESES

that 92 percent of their delis sold salads, 82 percent sold domestic cheese and nearly 81 percent imported cheeses. Over one-third sold sandwiches and more than 6 percent were offering fresh pizza.

Fully half of the respondents were selling desserts.

Sales of luncheon type meats accounted for two-thirds of the sales with ham, salami, sausage and roast beef following in importance. Other type meats, including turkey and chicken products, accounted for more than 22 percent of the sales offerings.

Foodservice products manufacturers will be interested in the fact that only half of the respondents said they prepared hot foods on premise. As previously cited, chicken and ribs are the predominate foods cooked in-store. Some 40 percent said they purchased their hot entrees from outside sources.

Even more interesting was the response that in the cold deli 75 percent report salads being purchased from outside sources. As expected, most meat products are purchased.

Another curiosity, what with the strength of in-store baking, is the outside purchase of dessert items. Over one-third said they purchased desserts from outside.

Service delis provide the opportunity for stores to offer additional services. Over 81 percent said they offered a variety of such conveniences from party trays (73 percent) to custom catering (29 percent). Other services include box lunches, chicken buckets, sandwiches and cheese platters.

The full service deli requires a variety of equipment. Over 33 percent said they have added microwave ovens to their operations and 20 percent reported convection ovens. Nearly half said they have a stove or oven working on premise. Nearly one-third reported barbecue equipment and deep fat fryers. Roughly 20 percent used a mixer.

Other equipment, in addition to the ubiquitous slicers and scales, included: refrigerators, packaging equipment, choppers and grinders, shredders and graters, steamers and breaders.

In looking to the future, operators indicated strong views toward growth. ■

Sales Aids

Innovative deli managers are continually looking for new ideas to attract customers and build sales. California Ripe Olives are the perfect special ingredient to highlight your old favorites and add eye appeal to new specialties. They're available pitted, sliced, wedged, even chopped. [illegible] creative deli managers [illegible] opportunity to present new and exciting salads to your customers.

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Merchandise continued from page 8

The basic "rules for successful bakery sales" include: sampling, suggestive selling, point-of-purchase and special promotions. I'll touch on 5 issues which will guarantee increased sales.

(1) A merchandiser or store manager or the owner (preferably not the baker) MUST PLAN merchandising strategies, specific promotions, selling teamwork at least 90 days before an event.

(2) Run "special promotions" 8 to 12 times a year. The promotion should include customer "incentive to buy" and employee "incentive to sell". Customer incentive should be "value added, a free product, a gift, a game, or it could be the "excitement and fun" of a well conceived promotion. Don't use "value subtracted" (couponing or straight price reduction by itself as a sales promotion tool).

(3) The store manager must oversee the bakery operation on a regular basis — regardless of availability of merchandiser or bakery manager (unless the bakery manager has no bench responsibility), the store manager must be trained in the science of bakery merchandising.

(4) Buy from dependable suppliers who support you with consistent quality and reliable delivery.

(5) Concentrate your sales efforts towards instore customers. Generate sales from regular customers, not from outside traffic. Sales thrust should be directed toward increasing bakery "per customer unit sale." Don't sale price an item unless sales personnel attempt to sell a "featured" regular price item.

Here are a few suggestions which should aid in establishing service bakery management chain of responsibility.

a. Store owner, regional or district operating manager or merchandiser in larger chains will be responsible for setting and meeting monthly bakery sales objectives (in dollars not percentages).

b. Bakery department manager will be responsible for economically manufacturing a quality product and for executing the merchandising and sales promotion plans generated by management.

c. Store manager is responsible for supervising bakery manager, and/or bakery personnel in achieving targeted sales. Failure to achieve will be faulted at the store manager level — not the bakery department level.

d. Hold a one to two hour bakery merchandising planning meeting every week. This meeting will include sampling information, special feature items, sales person "show and sell" for the following week.

e. Ingredient vendor should aid in achieving superior product and maintaining efficient production and quality and should furnish and suggest sales tools and ideas, but will not be responsible for, nor be included in sales planning. Vendor will, however, be notified far in advance of expected unusual needs. ■

Additional research on supermarket delicatessen will be completed later this month by Applied Marketing Concepts. The results can be obtained by calling Bruce Nelson at AMC, (612) 830-1555.

SUPERMARKET BUSINESS

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JULY 1981

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INDEPENDENTS:
GETTING IT TOGETHER WITH MARKET SAVVY

CLOSE-UPS ON THREE MARKETS
BUFFALO · KANSAS CITY · SACRAMENTO

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PAGE 12
THE INDEPENDENT TODAY
BY HELEN MAY, ASSOCIATE EDITOR

The competition is fierce, but innovation and commitment to prevail in the face of chains and inflation make possible independents' success.

MARKETS IN FLUX
KANSAS CITY
SUPERMARKET BUSINESS

PAGE 16
KANSAS CITY: HOW FAR CAN THEY GO?
BY CAROL FENSHOLT, MANAGING EDITOR

When the first warehouse store appeared on the scene, the independents grabbed the ball and ran. The consumer followed, and the chains have been playing catch-up ever since

PAGE 21
BUFFALO: BIG-CHAIN QUAGMIRE
BY KEN PARTCH, EDITOR

The big guns — Acme, A&P and Loblaw's — have thrown in the sponge here, and the big gainers are the independents and their wholesalers.

PAGE 24
LIVING THE STRENUOUS LIFE
BY ALAN ROOKS, ASSISTANT EDITOR

Super Valu retailer Joe Prout lives the life most people only dream about — he's a successful businessman and a world traveler, too.

WAREHOUSE
LIQUORS

PAGE 28
SACRAMENTO: MAVERICK INDEPENDENTS OUTRIDE THE BIG CHAINS
BY FRANK ZDY,
WEST COAST CORRESPONDENT

Having shot most big chains' market share full of holes, independents here have traded their pistols for calculators, as they try to figure where expansion capital will come from.

**TANT-
LEFF'S**

PAGE 34
TANTLEFF'S NEW FOODTOWN GOES HEAVY ON SERVICE

Most New York area operators are heavily price oriented, but Irwin Tantleff has taken a different tack — quality, service and variety.

OTHER FEATURES AND COLUMNS

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41 TRAINING
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TRADESCAN

A MACHINE FOR ALL RETURNABLES

Imagine a vending machine that could process returnables. Well, a Michigan team strong on retailing thought that would be mighty useful. So they invented one.

Fremont Thompson, former corporate vice president of Borman's Inc., L. P. Vogel, semi-retired supermarket engineer, and E. Wagner, president of Target International, coin-machine company are the inventors of a "reverse vending machine." They have received U.S. Patent No. 4,248,389 for the returnables processor, for which a prototype is being built.

The machine will: 1) read the UPC beverage container label, 2) generate receipt to the consumer who drops it in the container,3)sort containers by brand, size and composition, and 4) generate a computer reimbursement report for beverage companies, and sort glass bottles. In addition, it will crush cans, shred plastic bottles, and place them in a container that can be picked up by a front-end loading garbage truck for recycling. Record-keeping will be handled through a third-party credit operation. "The machine really simplifies the operation and takes the mess out of the back room," says Thompson.

The inventors are currently talking to suppliers and computer companies about start-up capital for producing the machine. The initial response from potential users has been positive: "We've had really good feedback from bottlers and the supermarkets. The people who have to deal with the bottle bills are very interested," Thompson added.

The device can be set up outside the store, making it independent of the store operation.

The inventors say that start-up costs for producing the machine would probably be less than current bottle bill lobbying costs. They claim the system can be operated on the revenue generated from the salvage materials. "It's a big venture for three little guys, but we think it will work," says Thompson. ■

DA103-707-011
American Express Company

TRAVELER'S CHECKS — WHAT TO LOOK FOR

Traveler's checks can be the retailer's headache for the summer, or they can attract a new segment of business when visitors to a region are drawn inside. To avoid the troubles of traveler's checks, American Express and Citicorp (which both issue checks), suggest that the store manager review with checkout staff the following:

- **How to recognize** a valid traveler's check.
- **Procedure for cashing** — this means watching the person sign the check in front of the store personnel. No checks signed previously by the user should be accepted.
- **How to compare** the signer's name with the signature already on the face of the check.

Traveler's checks are now issued by many banks and American Express, which has 50 percent of the market. Citicorp and Bank of America both garner 15 to 20 percent of the traveler's check market. Other issuers include the Visa and Barclays bank cards.

A cashing procedure kit for retailer's is available from American Express. It includes 4 by 6 inch cards than can be used to remind employees of the best procedure for cashing checks.

To obtain a free supply of the material, or for further information, contact Laura Powers, Traveler's Cheque Division, American Express Plaza, New York, N.Y. 10004. ■

SALES VOLUME INCREASES PRODUCTIVITY

Sales per manhour improve as total store sales increase, according to NARGUS. The table here shows some results of an annual survey by the National Association of Retail Grocers of the United States (NARGUS). Sales per manhour were determined by dividing annual department sales by the total number of hours worked. ■

STORE SALES PER MANHOUR

	$2-5 million		$5-10 million		Over 10 million	
Department	High	Average	High	Average	High	Average
Grocery	$202	$115	$279	$100	$263	$119
Meat	118	86	144	85	124	101
Produce	79	49	76	55	82	63
Bakery	27	16	19	13	33	19
Deli	125	86	26	20	32	21
Front End	290	202	932	394	536	251
Total Store	79	60	102	60	79	64

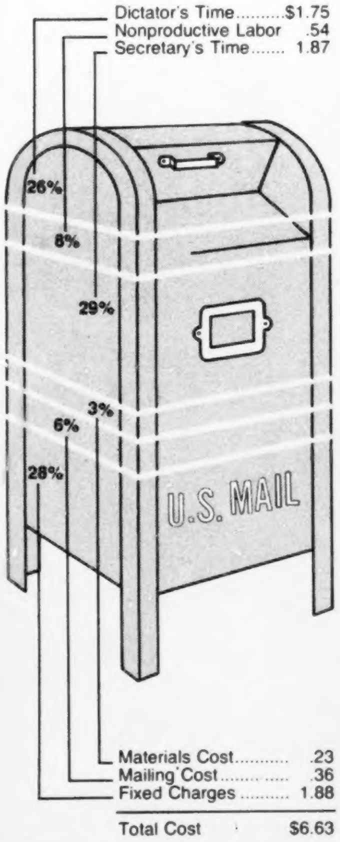
LABOR COST AS A % TO SALES

	$2-5 million		$5-10 million		Over 10 million	
Department	High	Average	High	Average	High	Average
Grocery	9.09	5.21	11.50	6.57	8.92	5.62
Meat	11.70	8.22	11.00	7.49	13.30	7.47
Produce	19.83	11.10	17.35	12.14	12.64	9.36
Bakery	48.36	31.65	50.90	33.80	46.90	29.61
Deli	63.87	28.51	30.33	23.87	42.50	28.17
Front End	3.35	2.18	3.62	2.40	4.37	2.68
Total Store	10.44	6.66	11.30	8.80	18.75	9.79

SENDING A LETTER NOW COSTS $6.63

The administrative cost for running a supermarket includes items such as secretarial labor, accounting, management services. Right? It also includes the cost of sending out a business letter.

This has reached an all time high of $6.63, says the Dartnell Business Research Institute of Chicago. Dartnell has figured out (see the mailbox diagram) where the pennies add up. One executive at a $3 billion-a-year food chain commented: "We're too busy running our stores. We don't have time to track things like that." Umm. Maybe he should take the time: Dartnell reminds us that the business letter cost was 30 cents in 1930. ■



Source: Dartnell institute of Business Research

NUTRITION NEWS FOR MARKET STANDS

A nutrition newsletter for supermarkets is being introduced by the American Heart Association. The first issue of "To the Good Life" is scheduled for publication the third week of September.

The two-color gatefold newsletter will contain information on healthy lifestyles, fitness tips, weight control and good nutrition based on AHA research.

Subscribers can receive the newsletter as camera ready art or in bulk quantities. Space will be provided for stores to strip in their names and logos, and in-store promotion pieces are being designed to coincide with the publication.

Subscribers will also receive a monthly merchandising newsletter. A nationwide publicity program, directed at the consumer and medical press, is planned for the introduction. A television and radio media tour is also scheduled.

Retailers interested in more information can contact: SUPERMARKET BUSINESS, 25 W. 43rd St., Suite 707, New York, N.Y. 10036. ■

FROZEN FOOD UP IN FIRST QUARTER

When consumers heard about the Florida freeze, they worried about their Vitamin C, and stocked up on frozen juices. This sent volume up for the four-week period ending February 6,1981 by 6.1 percent.

As the Florida region thawed, so did consumer frozen juice

Continued on page 9

BEST AVAILABLE COPY

THE 'INDEPENDENT' TODAY

Growing into the future where the excitement is fierce competition, and the innovation endless.

BY HELEN MAY, ASSOCIATE EDITOR

Defining the independent is about as difficult as defining the "super" store or the "warehouse" store.

The difficulty is that the "independent" is often a different species, depending upon the market in which he operates and the kind of wholesaler who serves him. A member of a retail co-operative may be a small, local chain. Yet, he considers himself to be an independent — sometimes even when publicly owned.

Wholesalers often have corporately-owned stores operating under the same name as those which are franchised. Which means that consumers and often members of the trade don't know the difference.

It is for some of these reasons that SUPERMARKET BUSINESS has chosen to discuss the "independent" in terms of specific markets where he operates, the competitive conditions, and the nature of his operation.

We think this makes sense. An independent does not suddenly become a "chain" because the number of stores he operates changes or whether or not he becomes a member of cooperative or a voluntary group. Probably the most important distinction is the one made by Frank D. Register, president of the National Association of Retail Grocers of the United States (NARGUS):

"The 10-store definition of an independent is not good any more," he says. "Any number have from 20 to 25 stores, and they are not chains." What makes them independents, he says, is that they are "owner managed and operate in a limited geographical area."

Interviews and a random survey of independent operators across the country, and with food consultants and trade groups reveal these trends:

- Access to capital is the independent's No. One problem.
- Market share of independents has increased in specific markets, both where chains have pulled out, and where the chains have stayed.
- Increased services from wholesalers to independents is allowing them to operate more and more like chains.
- Nationwide, the number of small operators, those with fewer than 11 stores, continues to decline rapidly.

The U.S. Census of Retail Trade, which is conducted every five years, shows that in 1972, single-unit operators had 31.59 percent of the total food sales, while firms with over 100 stores had 38.89 percent of total sales. (See tables.)

Continued on page 32

Table I

1972 GROCERY STORE SALES — [IN $1,000]

SIZE	AMOUNT	% OF TOTAL SALES
Single units	$29,483,550	31.59%
Multi units		
2 stores	3,051,337	3.27
3 stores	1,630,062	1.75
4-5 stores	2,277,193	2.44
6-10 stores	2,933,629	3.14
11-25 stores	4,416,492	4.73
26-50 stores	5,565,004	5.96
51-100 stores	5,923,784	6.35
101 or more	36,292,957	38.89
Firms closed by year end		1.88
Total	$93,327,525	100.00

Source: Census of Retail Trade, 1972; U.S. Dept. of Commerce

Table II

1977 GROCERY STORE SALES —[IN $1,000]

SIZE	AMOUNT	% OF TOTAL SALES
Single units	$ 41,751,853	28.26%
Multi units		
2 stores	4,515,365	3.06
3 stores	2,967,374	2.01
4-5 stores	4,234,475	2.87
6-10 stores	5,377,110	3.64
11-25 stores	8,331,965	5.64
26-50 stores	8,926,079	6.04
51-100 stores	10,403,248	7.04
101 or more	59,320,342	40.15
Firms closed year end		1.29
Total	$147,758,535	100.00

Source: Census of Retail Trade, 1977; U.S. Dept. of Commerce

Note: The 1972 sales statistics included two items omitted from the 1977 Census of Retail Trade sales statistics: 1) Sales (and other) taxes collected from customers, 2) carrying charges.

Table III

CHANGE IN SHARE OF SALES

UNIT	SHARE OF SALES '72	SHARE OF SALES '77	% CHANGE	
Single units	31.59%	28.26%	−10.55%	
Multi units				
2 stores	3.27	3.06	-6.42	
3 stores	1.75	2.01	14.86	Average increase = 16.91
4-5 stores	2.44	2.87	17.62	
6-10 stores	3.14	3.64	15.92	
11-25 stores	4.73	5.64	19.24	
26-50 stores	5.96	6.04	1.34	
51-100 stores	6.35	7.04	10.67	
101 or more	38.89	40.15	3.24	

"With scan data, chains will gain the flexibility that is the independent's strength. Then they will be able to beat him at his own game."

Continued from page 13

Five years later, that share for single units dropped by 10.55 percent and the share for multi-unit firms with two stores dropped 6.42 percent. At the same time, firms with over 100 stores increased share by 3.24 percent, to 40.15 percent of sales.

In the same period, firms in every other group increased their share (see Table III) — with the firms of three to 25 stores enjoying an explosive growth — much greater, proportionately, than that of the chains. The former increased share at an average rate of 16.91 percent and shares of larger groups crept up by only 3.24 percent.

What numbers mean

The shift in share and units operating from the U.S. Department of Commerce data shows: First, the decline in the national number of single operators, and operators of two units, therefore, of independents, when the traditional definition of 11 or fewer stores is used.

Second, the numbers reflect the success of the independents, who "expand out" of the single operator group up to a next category.

Third, by far the most dynamic group of food retailers is in the three-to-25-store group as far as change of share goes. However, this must be seen in light of a final conclusion: The combined share of firms owning up to 25 stores — 45.48 percent of total food sales — is spread over 3,360 firms, compared to the 40.15 percent for firms with over 100 stores spread over only 53 firms.

"What you see is the success of the independent, as well as his failure," says Gerald E. Grinnell, economist with the Federal Trade Commission. "When independents succeed, they get bigger. But they are losing share."

Grinnell is at work on a study of independent's market share and he plans to publish some findings this fall in the *National Food Review* which, he says, will challenge some widely-held conceptions of the group's success:

"I see several economic forces that don't bode well: Scanning for one. As the chains utilize the data's potential, such as for merchandising analysis, they will gain that flexibility which is the strong point of the independent. Then they will be able to beat him at his own game, so to speak.

"Scale economics, for another: Independents still do not have access to capital markets, leaving them, usually, with last choice in selection of sites."

However, others in the industry interpret the data differently.

Earl Redner of Redner's Tiger Markets (Reading, Penn.), says: "We all know we have increased cost of doing business, and we've got the competition." There will be a shakeout among retailers, he agrees, adding that he has already survived one this past year in his region. How did he do it? By "running a better business," he says. What does that mean? "We run a better business," he repeats with a laugh.

Open box stores

Lou Norwood of NARGUS says that one way independents are doing this is by opening warehouse stores and by coordinating more closely with the wholesalers.

"Look, we all — chains as well as independents — have the same problems," says Andy Anderson of Hudson, Colo., about 50 miles northeast of Denver. Anderson, former president of the Rocky Mountain Food Dealers Association and recently retired from running his firm but still active in Associated Grocers, says: "Hell, if interest rates stay where they are, it'll kill the economy. It's that simple."

"Competition has never been fiercer," says Frank Register. The flattening American population, he says, leaves many regions with too many stores.

Already, this is evident in the regional FMI Operating Results of Independents. The average return on net worth was a low 17.4 percent in the Northeast, compared to a high of 38 percent in the Midwest.

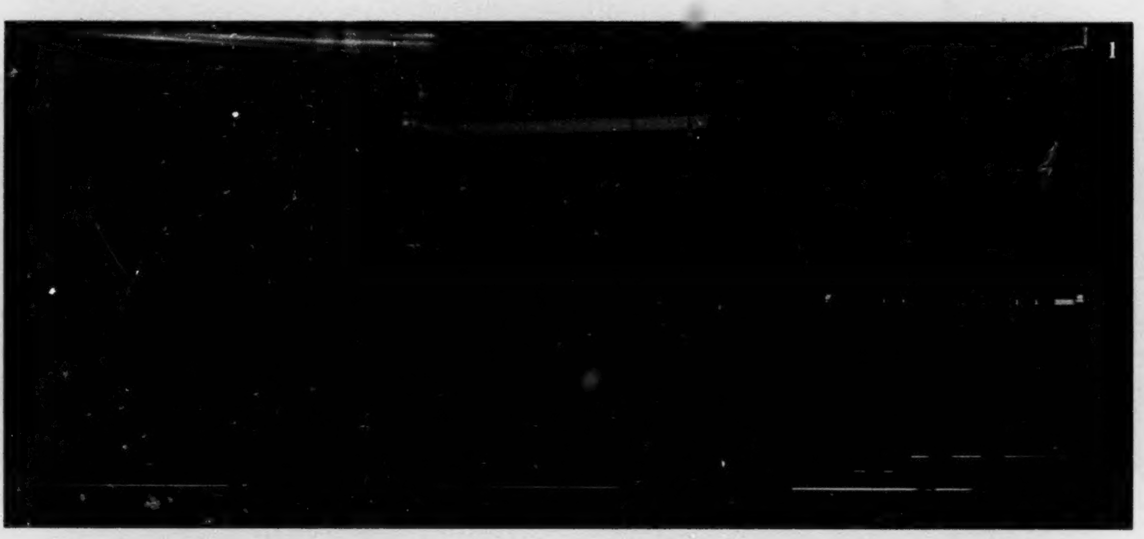
"The Northeast took a blood bath," says Eric Oesterle, agricultural economist at Purdue University and author of the FMI results. "It was very bloody up there around New England because there were too many stores."

Key to survival?

So again, how do the survivors survive?

"Quite frankly, I do not know," said John R. Holdren, president and owner of Great Scot of Indiana (Terre Haute). "Sometimes I just go from quarter to quarter. I take opportunities as they come. Not much else I can do."

In Evansville, Indiana, where Holdren purchased two A&P stores when that chain left, Great Scot is doing high volume, "very high," Holdren says, not divulging the figure for each of these "28-footers" — but his total group of six stores



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"The wholesaler will have to develop his electronic capability to a high degree, because he's competing with the chains, too, through his retailers."

did about $90 million, according to one source. The Evansville market saw the departure of Kroger and A&P. In 1977, Schnuck's entered the market. However, it hasn't made too much of a difference to him, Holdren says: "It's still healthy here for the independent."

How does he compete with the chain on price?

"I've got a good wholesaler, Scot Lad," Holdren says. He does a lot of forward buying — "I have two deal warehouses. When I get a deal, I buy." This could be a tricky strategy. For example, the Southern region showed only an 18.8 percent return on net worth, due mainly, says Eric Oesterle, to some "inventory problems that raised the net worth of some operators."

The rural South, and the far West, find this year that delivery is a problem. This is due to the rising cost of transportation. There is a flip side to this that promises to help the smaller operators:

"The consumer has an energy cost, too," says Anderson. "Out here it used to be a kind of status symbol to drive people out of town and do your shopping. Now people are discovering they cannot afford to drive out of town to do that — with the cost of gas and all." For this and other reasons, small operators find volume up. Productivity should, therefore, be carefully planned.

Ed Reynolds, a productivity consultant, says that targeting in terms of a labor ratio will produce cost savings much greater than the usual labor percentage of sales analysis. Reynolds, who takes a 38-page questionnaire with him when he sets up a store's productivity target, says that a manager must spend time "managing, not writing schedules. It takes two days to teach scheduling. After that, a manager should write four schedules a year, that's all. The targets he sets for different companies will vary even within a store — one for front-end, another for grocery, or produce."

This kind of deliberate thinking and specific target-setting should help the retailer become even stronger where he has an inherent advantage — being able to know and adapt his merchandising to local market conditions. Another way the retailer strengthens his position is by keeping in touch with what others, especially the acknowledged innovators in his business, are doing.

Daniel Tarpy, of Tom Tarpy's Markets in Columbus, Ohio, runs an upscale four-store (from 12,000 to 20,000 square foot) operation that competes with Kroger and Big Bear.

"There are two ways to increase sales: you increase sales per customer, or you increase the customer count. I don't think you can always do both."

To increase sales per customer, it is necessary to maintain loyalty. Therefore, Dan finds that he is constantly testing out ideas on his customers to "keep the loyal ones, as well as expand."

Looks outside for ideas

Tarpy visits Balducci's, a high-class European-style fresh fruit, meat and grocery market in Manhattan, three times a year, "just to get ideas." It takes an 85-hour week to implement them, and keep Tarpy's moving.

Aggressive promotion is also necessary, says Dan:

"We do a lot of promotions. April Fool's Day we served 3,600 free breakfasts before the store opened. We try a lot of things."

Tarpy points out that the key to an independent's success is the wholesaler, though a "fantastic" retailer can survive a poor wholesaler. "I will say that a wholesaler will have to help out the independent more — with cost of advertising, a color piece, for example, and with other services."

Gerald Peck, president of the National-American Wholesale Grocers' Association (NAWGA), agrees. He says electronics will be the area in which the wholesaler will move with the independents.

"It's not like the wholesaler had an option," says Peck. They, after all, are competing with the chains, too. All these electronic areas — scanning, but also computer analysis of product movement, inventories, item selection — will be — because they'll have to be — developed by the wholesaler as a service to the independent, to enable him to compete with chains.

"It's a new ball game," Peck adds. "These kinds of services make a stronger tie between the retailer and the wholesaler, but I would disagree with a description that implies there is some loss of independence — that's the best asset of the independents.

"As we say, 'The wholesaler has to sell, not tell.'"

The wholesaler is already offering extensive retail training and services such as accounting. But a few independents, like Holdren of Terre Haute, don't want that. "I just want the delivery at the door. Otherwise, leave me alone," he says.

Now, that's an independent! ■

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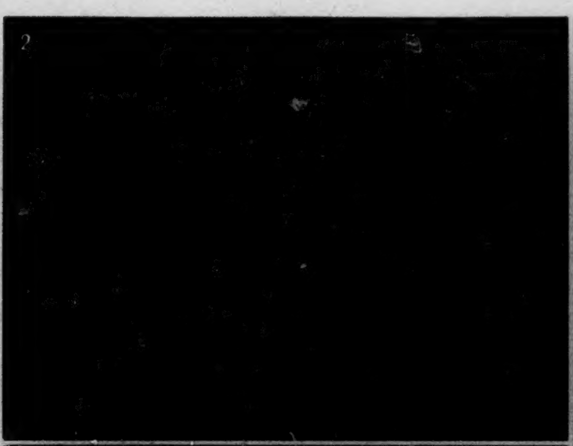

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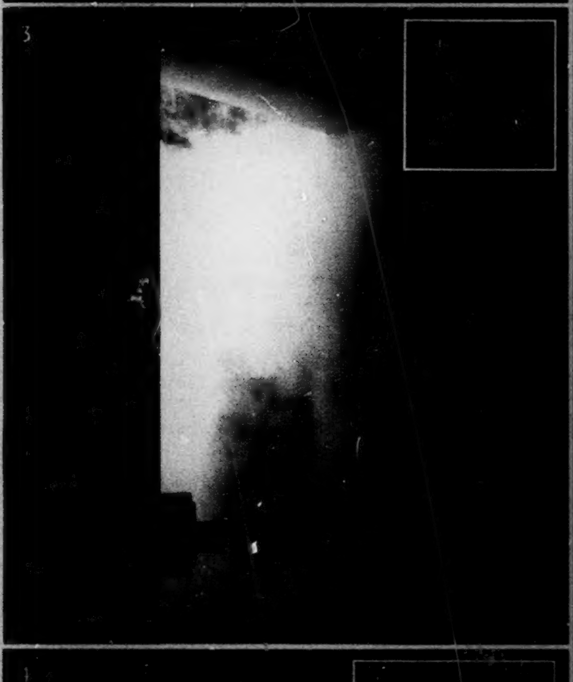

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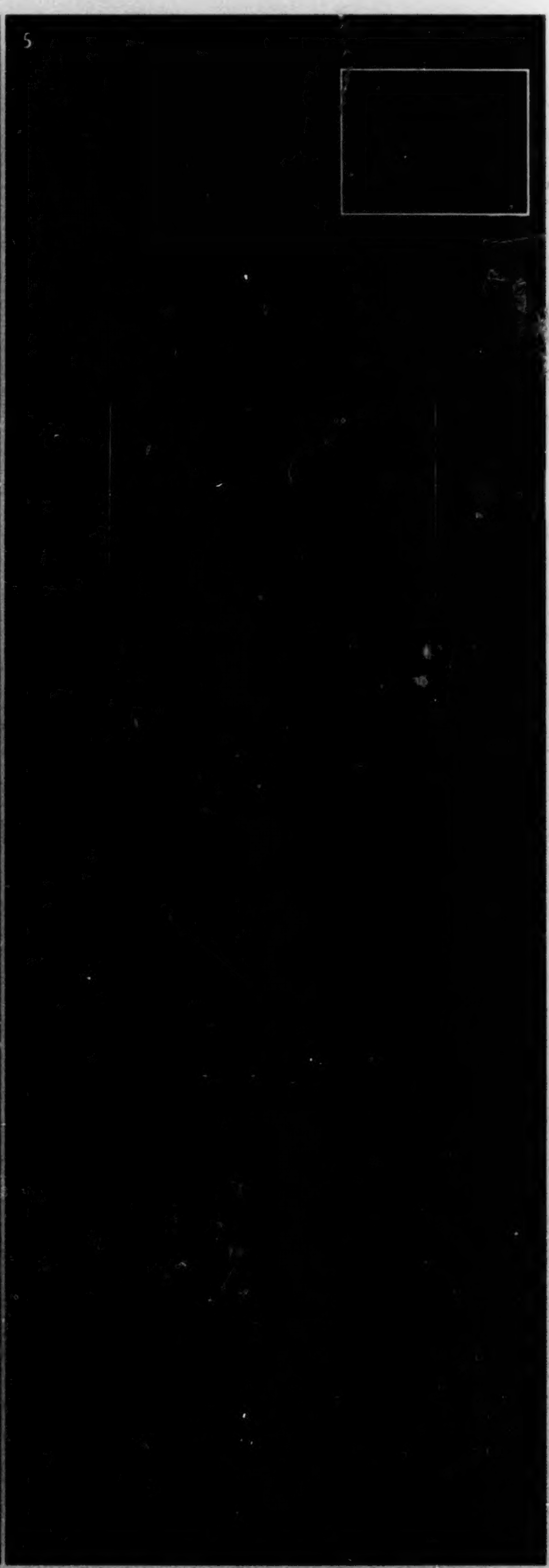

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SUPERMARKET BUSINESS

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VOLUME 36 / NUMBER 8
AUGUST 1981

IT'S 'WHITE' VS. 'RED' IN THE GREAT FRESH MEAT RACE

HOW REAGAN'S ECONOMIC AND REGULATORY PROGRAM AFFECTS SUPERMARKETS

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THE GREAT FRESH MEAT RACE
BY KEN PARTCH, EDITOR

Both pork and beef face growing competition from poultry and fish, as red meat's prices rise and its popularity as the ultimate protein source dips.

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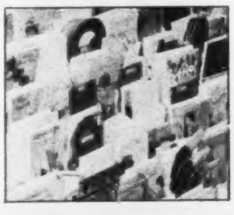
HOW ROGER WILLIAMS HANDLES THREE MILLION POUNDS OF FRESH MEAT WEEKLY

Faster meat ordering and scheduling, better controls and improved cash flow are some benefits of fast-growing Roger Williams' new computer system.



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GREETING CARDS: INVESTMENT IN FOOTAGE PAYS OFF
BY ALAN ROOKS, ASSISTANT EDITOR

The store which can allot enough space to cross-display greeting cards with related giftware and party items is the one most likely to turn a hefty profit.

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SCHOOL SUPPLY SECTIONS GET HOME OFFICE BUSINESS BOOST

Once largely seasonal, the "back-to-school" department is evolving into a year-round strong seller, as home office items gain status in supermarkets.

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SI! SI! TO MEXICAN FOOD HEARD FROM COAST TO COAST

A large Hispanic population can help to sell Mexican food — but these days, "gringos" in some markets are making Mexican food potentially the spiciest success story since pizza.

PAGE 24
HOW REAGAN'S ECONOMIC PROGRAM WILL AFFECT THE SUPERMARKET
BY HELEN MAY, ASSOCIATE EDITOR

Here's how the package — tax rate cuts, faster write-offs, budget and regulatory reform, et al — will change the grocery business.

OTHER FEATURES AND COLUMNS

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American Can's Fresh Seal vacuum packaging system is being test marketed in six Chatham Supermarkets in Detroit. Shelf life is said to be greatly extended.

Board is promoting vacuum packed "Beef in the Bag," largely in Eastern markets at present. Some packers are also beginning to set up programs of vacuum packed retail cuts — one with a division of Safeway.

Packagers such as American Can are conducting experimental retail programs with vacuum packaged consumer-ready cuts. Vacuum packaging of beef and pork is technologically available today. But there are some characteristics, such as the "purple" color caused by removing the oxygen which thereby permits longer shelf life (up to 30 days for beef), which many industry spokesmen consider a difficult consumer attitude hurdle at present.

While vacuum packaged beef is actually fresher when it reaches the consumer, many feel that such a package would have real difficulty competitively against a "red" beef package that consumers expect, if both were displayed together. For these reasons and others, few industry people expect central packaged and distributed retail cuts, which require no backroom labor, to make much of an appearance before the mid-80s or late '80s.

Nevertheless, the red meat and beef industries are beginning to take a more realistic view of their problems. The American Meat Institute will soon release a consumer attitude survey of beef conducted by Yankelovich, Skelly & White. The Beef Industry Council of the National Livestock and Meat Board commissioned Management Horizons to produce a consumer marketing/advertising promotion plan which would begin in the Fall of 1981 and run through 1982. While Management Horizons produced its plan for immediate action, and submitted its proposal to the Beef Industry Council in June, the consulting firm recognized that much more information is needed along the lines of:

"Demographic, geographic and psychographic characteristics of the consuming public relative to awareness of beef values, and attitudes toward beef. Beef purchasing and consumption patterns by geographic regions surveyed over several market segments in each region."

While the Management Horizons program has been accepted by the Council's Promotion Committee, it has yet to go before the state councils. It must then be funded in order to put the advertising and promotion plan into action.

Industry fragmented

The beef industry is a fragmented one, with various segments often at war with one another. At present, the National Cattlemen's Association is sponsoring new beef grades that would permit fewer feeding days at the finishing period. It is the intensity of feeding, they argue, that determines good quality beef — not the length of feeding time. Fewer feeding days would cut costs, while producing a leaner but just as tasty beef, they say. The National Restaurant Association does not agree, and is petitioning USDA not to change the grades.

An attempt last year to fund a coordinated promotion program to improve the image of beef through a national "Beef Referendum" that would assess producers failed to materialize. "The beef industry was not ready to automatically provide funds for programs that they did not have input into and control over," Management Horizon's report states. However, the report continues, "...there is a strong and clear indication the industry now desires and recognizes the need for professional, consumer-oriented marketing planning, advertising and promotion."

The report concludes: "Unless positive action does occur, it is Management Horizon's belief the beef industry's future sales and profitability will decline even further."

Pork producers also recognize that they have their own image problem with consumers. Last year, the National Pork Producers Council commissioned SRI Research Services to conduct a consumer attitude survey which would provide data on which to base promotional campaigns for pork. SRI's report found: "...significant potential for increased consumption of pork when a price comparison of pork to beef was made, when the actual levels of cholesterol in pork relative to beef, poultry, and fish are known, when more good recipes for ways to prepare pork products are known, and when preparation methods and the nutritional values of the product are communicated.

"In fact, nearly half of the total sample indicated at least a 75 percent probability of increasing their pork consumption level, given one or more of the statements used in this study.

"These findings would definitely indicate that there is significant potential remaining for improving pork consumption by communicating the story of pork to consumers."

While it is recognized that fresh pork and beef still have considerable consumer advantages which can be exploited, there is erosion of red meat sales that can only be expected to increase. In 1982, pork production is expected to decline. This will tend to push pork prices up, and create an even wider gap between poultry prices.

Reluctance to scan noted

Retail attitudes toward fresh red meat are perhaps reflected in the supermarket industry's reluctance to move ahead more quickly in the area of scanning random weights of fresh meat.

While considerable progress is being made in the technological area, with equipment that can provide a random-weight UPC package at the store or at the central distribution level, few supermarket operators have yet moved into a commitment on scanning fresh meat.

Even Ralph's, with scanners operating in all stores, shows little interest in scanning fresh meat at this time. "We've simply had more important areas to give our attention to right now," says Byron Allumbaugh, "areas that we feel have a greater potential payout for us." This is surprising, since scanning is supposed to offer the best means of controlling shrink between cutting and packaging and actual sales at the cash register.

Nevertheless, manufacturers of random-weight scanning equipment are going ahead with more and more sophisticated packaging and labelling equipment. There was considerable evidence of retail interest in such equipment, if not actual signed contracts, at the recent FMI exhibit in Dallas. One of the problems is, as always, the lack of software programs and the store personnel to produce them. Hobart is one supplier in the process of completing its own training manual for writing random-weight meat scanning programs. The manual is called the Meat Operation Control System.

As John Allen of Michigan State University pointed out at an FMI workshop in Dallas, the need is there for more professional management, more productivity throughout the fresh meat system, and for new products to meet changing consumer lifestyles and new store formats. The question is whether the fresh meat industry has the commitment to move toward solving its own problems, meeting the needs of supermarkets and new retail formats, as well as the changing needs of today's consumer. ■

RESULTS: 1980 BEEF DISTRIBUTION SURVEY

The 1980 Beef Distribution Survey was designed to determine 1979 retailer beef practices; to project future patterns through 1983; and to find what improvements in meat packaging would help retailers in the coming decade. It was designed by Psymarcon, an independent marketing/consulting firm. The survey covered a sample of 346 major retailers, including the 100 largest corporate chains and the 50 voluntary chains. It was commissioned by The Cryovac Division of W. R. Grace & Co.

Swinging beef declines

An earlier survey had predicted naked sides and quarters to be at 24 percent of total volume in 1979, and dropping to half of that in 1982. In fact, retailers report that they've already approached predicted 1982 levels. By 1983, they expect only 8 percent will arrive as swinging beef.

Boneless subprimal cuts will be the big gainer, increasing by one third (from 21 percent to 28 percent) to replace larger vacuum packaged primals as the most popular form by 1983. The trend to smaller cuts could continue as interest in consumer-size retail cuts grows. No dramatic increase in that area is expected through 1983, however.

Channels of distribution

For years meat packers supplied the greatest share of beef shipped directly to retail stores. These store-door deliveries from outside sources are expected to drop as retailer-owned central fabricating facilities and distribution centers increase in importance, according to respondents. Tonnage direct from packers and purveyors is expected to drop from 1979's combined 45 percent to 37 percent in 1983. Meanwhile, deliveries from retailer-owned facilities will increase from 54 percent to 63 percent.

The increase in retailer production will come mainly from distribution center deliveries, since store-owned central cutting and fabricating should decline over the next three years.

Needed: packaging systems

Retailers expressed a strong interest in changes that can help increase their productivity in the face of rapidly rising meat and labor costs. They're concerned about an erosion in their meat case volume caused by the consumer switching to less expensive protein sources. Specific suggestions include:

☐ Stronger cartons for vacuum packaged meats that would allow higher stacking for a more efficient use of cooler space;

☐ Open dating for better inventory control;

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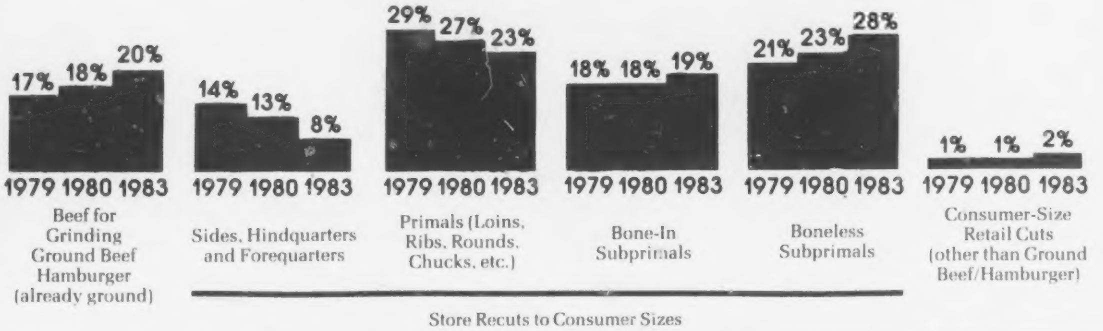
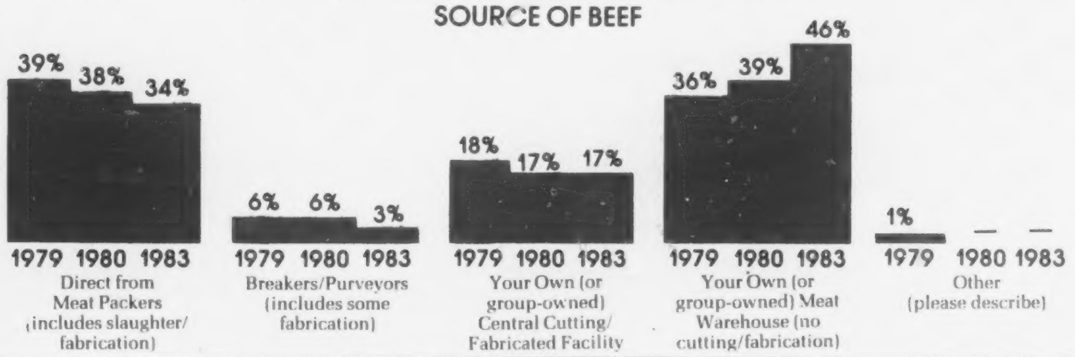
Of your total 1979 fresh and frozen beef tonnage, what % was received by your stores in each form? What do you estimate for 1980? By 1983?

FORM IN WHICH BEEF WAS RECEIVED BY STORES



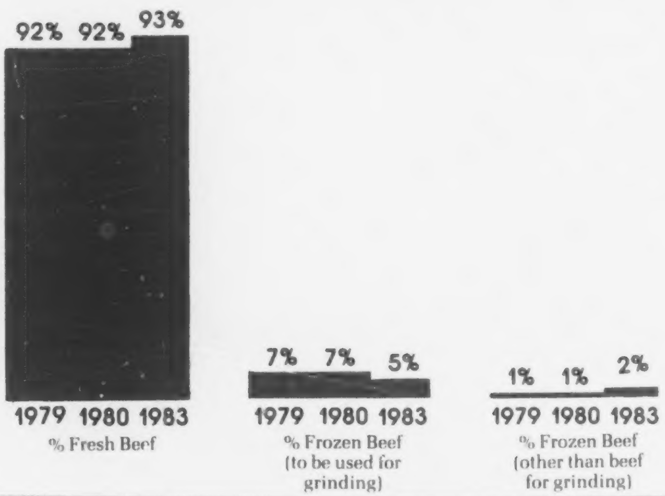
Again, of your total 1979 fresh and frozen beef tonnage, what % was received by your stores from each of the following sources? What do you estimate for 1980? By 1983?

SOURCE OF BEEF



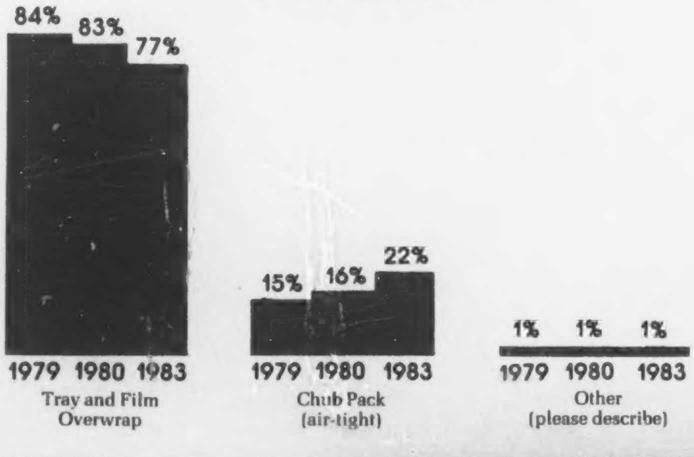
Of the total beef tonnage received by your stores in 1979, what % was received by your stores fresh and what % was received frozen? What do you estimate for 1980? By 1983?

% RECEIVED BY STORES AS:



Letting your 1979 tonnage of Ground Beef/Hamburger equal 100%, what % was put into your store's display cases in each of the following types of packages? What do you estimate for 1980? By 1983?

% OF GROUND BEEF/HAMBURGER TONNAGE SOLD AS:



☐ **Color coding** of cartons to identify different grades of meat;

☐ **Uniform, more readable** product descriptions on cartons and labels;

☐ **Continuation of the trend** toward further processing;

☐ **Extension of the boxed beef concept** to pork, lamb, veal and other meats;

☐ **Clearer packaging** for easier product inspection by the consumer;

☐ **Stronger packaging** to eliminate in-store rework and extend shelf life;

☐ **Improved systems** to handle peak volumes and spread out the work load;

☐ **More compact and reliable automatic packaging** equipment;

☐ **Better service** to reduce equipment downtime;

☐ **Equipment** that can be cleaned faster.

Film overwrapped trays will continue to be the most common method of offering consumer-sized ground beef packages. It's a quick and cost-effective way to get the product into the meat case when a majority of ground beef production is handled on a daily basis by the store.

The consumer oriented, air-tight chub pack, already particularly strong in the Southeast, will gradually increase in share to an estimated 22 percent by 1983. The longer shelf life and the convenience of freezing the package without additional in-home re-wrapping will help its growth. It's already the dominant format for ground beef produced by purveyors and central cutting facilities.

Product changes

Ten years ago, total tonnage received by retailers was split almost evenly between fabricated and carcass beef. During the 70's, boxed beef began to dominate the market, reaching a point where over 75 percent of nationwide retail shipments were vacuum packaged subprimals.

Meat industry spokesmen have long predicted the coming of centrally prepackaged retail cuts. Recent experiments with delivering a frozen product have consistently failed as consumers opted for fresh store-cut meats, however. Considerable consumer re-education may be required to "sell" this concept.

A few innovative retailers are testing a new idea that could help their customers fight today's inflationary trends. Placing vacuum packaged subprimals directly into the meat case helps lower the store's per pound cost of beef sold by saving in-store labor. Vacuum packaging offers good product quality and potential cost per pound savings.

This product will demand extra marketing efforts and consumer education. Step-by-step cutting instructions will help. Emphasizing the cost per serving rather than the higher unit cost should also hasten the concept's acceptance. ■

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EVEN IN SCHENECTADY THEY'RE SAYING SI! SI! TO MEXICAN FOOD

The large Hispanic markets of the West and Southwest not surprisingly have seen spectacular growth in Mexican food sales. But in some other cities, it's the "gringos" who may well make Mexican fare the spiciest success story since pizza.

Americans are trying Mexican food and discovering they like it. Regions where Mexican food sales have traditionally concentrated — southwestern and western — have been experiencing substantial growth. But activity is also brewing in several other markets around the country.

According to data from Selling Areas-Marketing, Inc. (SAMI), which tracks grocery product sales by reporting warehouse withdrawals, the size of the Mexican food market in the 39 major markets reported by SAMI now exceeds $430 million. Pound volume has increased over 12 percent in the past year, from 373 million to 418 million pounds nationally.

"Dry grocery — food" is by far the largest Mexican category, representing 58 percent of all sales. Made up largely of canned Mexican sauces, canned refried beans, dried taco shells, taco seasoning and tamales, the category experienced a 20 percent growth in pound volume for the year ending May 1, 1981, compared to the previous year; and over 47 percent pound volume growth compared to the year ending May 5, 1978.

Mexican food has become so popular that frozen items have also had sales increases (over 5 percent pound volume growth for the year ending May 1, 1981, compared to the previous year). This means Mexican foods are bucking the industry-wide trend of frozen food overall sales, which have recently hit a plateau. Frozen Mexican food — largely dinners and regular entrees — accounts for 36 percent of all Mexican food sales.

Refrigerated Mexican food is by far the smallest category, representing only three product classes and only six percent of all Mexican food sales. But it's now experiencing explosive growth. Pound sales increased 37 percent last year, comprised largely of the increased popularity of refrigerated tortillas.

Since a full Mexican meal calls for a little of everything, consumer trial and acceptance of Mexican food has spread rather consistently across product classes. For example, in the dry grocery category, the 12 product categories/classes have maintained the same relative importance over the three-year period 1978-1981. Canned Mexican sauces represent the largest product class (over 36 percent of dry grocery — food), and has had the highest growth rate over the three-year period. Canned refried beans, a distant second in importance, has had substantial, if somewhat slower, growth.

Perhaps as a result of the fast food experience (Taco Bell, etc.), tacos are often part of a Mexican meal and are gaining in popularity. Three product classes have benefited: Dry taco shells, taco seasonings and the small but growing taco kits.

Like a little of each

Sales trends in frozen Mexican foods also suggest that consumers like putting together a Mexican meal — one of this and one of that, a little of this and a little of that. As a result, complete frozen dinners have recently experienced small sales decreases (four percent) last year. By contrast, sales of regular Mexican entrees increased 16 percent in pound volume during the same time period. They now account for more total dollar sales than dinners.

To date, consumers apparently feel it takes some expertise and identity to manufacture good Mexican food. Branded items continue to have the lion's share in all categories, despite some private label growth in the last year.

With the growing Mexican population settling largely in the western and southwestern regions of the United States, the culture — food preferences included — has penetrated markets in these regions most dramatically. It is natural, then, for these markets to account for a large proportion of Mexican food sales.

Indeed, the 10 top markets in dry grocery Mexican items, accord-

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Combination Plate
Meatloaf Dinner
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Italian Style Dinner
Rosarita Combination Plate
Rosarita
Mexican Style Din
Rosarita
Beef Enchilada Dinner
Beef Enchilada Dinner

ing to SAMI data, account for over 61 percent of all sales. In frozen foods the top 10 markets account for 67 percent of all sales. Eight of the top 10 markets are the same in both dry and frozen categories and with the exception of one market (Memphis/Little Rock), all eight markets are in the western and southwestern regions.

Further, strong geographical concentration is evident by the fact that the top two markets in dry grocery and frozen Mexican food make up 28 percent and 25 percent of sales, respectively.

The rising popularity of Mexican foods is not taking place in the west and southwest only, however. Growth in average household dollar expenditures has taken place in all 39 SAMI markets combined. Comparison of household consumption by major market for the years 1978 and 1981 show this dramatically. Overall dollar volume per household in 39 markets combined increased 64 percent in dry grocery Mexican food and 48 percent in frozen Mexican food.

For dry grocery items in the markets below the top 10 or bottom 29 (ranked by per household dollar expenditures), seven markets had 100 percent or better growth in annual expenditures per household over the 1978 to 1981 period. Sixteen of the 29 markets had above average growth.

Similarly, for frozen Mexican foods the bottom 29 markets and nine markets with 100 percent or

TOP 10 MARKETS OF FROZEN MEXICAN FOOD ANNUAL DOLLAR SALES
Period Ending May 1, 1981

	Market	Annual Dollar Volume	% of Total U.S.
1	Los Angeles	$46,827,586	19.1%
2	San Francisco	22,782,670	9.3
3	Dallas/Ft. Worth	17,072,538	7.0
4	Denver	11,684,115	4.8
5	Kansas City	11,593,350	4.7
6	San Antonio	9,593,090	3.9
7	Memphis/Little Rock	8,422,360	3.4
8	Oklahoma City/Tulsa	7,789,370	3.2
9	Seattle	7,736,730	3.2
10	Houston	6,743,561	2.8
	Top 10 Markets		61.4%

DRY GROCERY MEXICAN FOOD

	Market	Annual Dollar Volume	% of Total U.S.
1	San Francisco	$25,703,549	16.2%
2	Los Angeles	21,081,176	13.3
3	Dallas/Ft. Worth	18,071,625	11.4
4	Oklahoma City/Tulsa	6,826,318	4.3
5	Seattle/Tacoma	6,598,655	4.2
6	San Antonio/Corpus Christi	6,372,885	4.0
7	Memphis/Little Rock	6,124,000	3.9
8	Cincinnati	5,034,296	3.2
9	New Orleans	4,963,934	3.1
10	Denver	4,863,495	3.0
	Top 10 Markets		66.6%

DRY GROCERY MEXICAN FOOD COMPARISON OF SALES PER HOUSEHOLD
1981 vs. 1978

Rank 1978	Market	Sales Per Household 1978	Sales Per Household 1981	Rank 1981	% Change 1981 vs. 1978
1	Phoenix/Tucson	$8.274	$13.954	1	+ 68.6%
2	Los Angeles	5.917	8.426	4	+ 42.4
3	Denver	5.632	10.857	2	+ 92.8
4	Dallas/Ft. Worth	5.510	8.526	3	+ 54.7
5	San Francisco	4.473	7.094	7	+ 58.6
6	Kansas City	4.209	7.793	5	+ 85.2
7	San Antonio/ Corpus Christi	4.067	7.294	6	+ 79.3
8	Oklahoma City/Tulsa	3.680	6.228	8	+ 69.2
9	Seattle	3.355	5.528	10	+ 64.8
10	Portland, Ore.	2.908	5.595	9	+ 92.4
11	Houston	2.603	5.528	11	+112.4
12	St. Louis	2.440	3.597	15	+ 47.4
13	Memphis/Little Rock	2.318	4.629	12	+ 99.7
14	Salt Lake City	2.318	3.930	14	+ 69.5
15	New Orleans	2.218	3.930	13	+ 77.3
16	Birmingham	1.993	2.531	18	+ 27.0
17	Atlanta	1.850	2.331	19	+ 26.0
18	Omaha/Des Moines	1.810	2.796	16	+ 54.6
19	Indianapolis	1.667	2.564	17	+ 53.8
20	Nashville/Knoxville	1.444	1.965	22	+ 36.1
21	Charlotte	1.342	1.665	25	+ 24.1
22	Jacksonville	1.342	1.996	21	+ 48.9
23	Minneapolis	1.159	2.096	20	+ 81.0
24	Milwaukee	1.118	1.832	23	+ 63.9
25	Detroit	1.110	1.465	26	+ 32.0
26	Cincinnati	1.078	1.798	24	+ 66.8
27	Norfolk/Richmond	1.017	1.199	31	+ 17.9
28	Raleigh/Greensboro	.935	1.299	29	+ 38.9
29	Baltimore/Washington	.935	1.232	30	+ 31.8
30	Chicago	.834	1.332	28	+ 59.7
31	Miami	.651	1.365	27	+109.7
32	Cleveland	.610	1.032	33	+ 69.2
33	Syracuse	.447	.798	34	+ 78.7
34	Buffalo	.407	.698	36	+ 71.7
35	Pittsburgh	.386	.733	35	+ 89.9
36	Boston	.244	.599	37	+145.5
37	Albany	.224	1.098	32	+390.6
38	Philadelphia	.162	.418	38	+157.7
39	New York	.122	.400	39	+227.9
	39 Markets Combined	$2.033	$3.330		+ 63.8

FROZEN MEXICAN FOOD COMPARISON OF SALES PER HOUSEHOLD
1981 vs. 1978

Rank 1978	Market	Sales Per Household 1978	Sales Per Household 1981	Rank 1981	% Change 1981 vs. 1978
1	Dallas/Ft. Worth	$7.662	$9.300	1	+ 21.4%
2	San Francisco	5.399	7.081	2	+ 31.2
3	Oklahoma City/Tulsa	3.881	5.813	3	+ 49.8
4	Phoenix/Tucson	3.480	5.601	4	+ 60.9
5	Houston	3.452	4.714	6	+ 36.6
6	Portland, Ore.	3.306	4.460	8	+ 34.8
7	Seattle	3.294	4.777	5	+ 45.0
8	Los Angeles	2.836	3.762	10	+ 32.7
9	San Antonio/ Corpus Christi	2.635	4.692	7	+ 78.1
10	Denver	2.592	3.805	9	+ 46.8
11	Memphis/Little Rock	2.535	3.276	11	+ 29.2
12	Salt Lake City	2.349	3.086	12	+ 31.4
13	New Orleans	2.019	3.065	13	+ 51.8
14	Kansas City	1.618	2.388	14	+ 47.6
15	St. Louis	.902	1.353	17	+ 50.0
16	Cincinnati	.831	1.586	15	+ 90.7
17	Atlanta	.802	1.353	18	+ 68.7
18	Omaha/Des Moines	.730	1.480	16	+102.7
19	Birmingham	.702	.867	25	+ 23.5
20	Nashville/Knoxville	.687	1.163	20	+ 69.3
21	Chicago	.644	1.015	22	+ 57.6
22	Indianapolis	.630	1.205	19	+ 91.3
23	Jacksonville	.559	1.099	21	+ 96.6
24	Minneapolis	.544	.951	24	+ 74.8
25	Miami	.415	.972	23	+134.2
26	Baltimore/Washington	.387	.761	26	+ 96.6
27	Milwaukee	.329	.676	28	+105.5
28	Charlotte	.315	.444	31	+ 41.0
29	Norfolk/Richmond	.286	.359	34	+ 25.5
30	Detroit	.286	.613	29	+114.3
31	Raleigh/Greensboro	.272	.359	35	+ 32.0
32	Cleveland	.272	.572	30	+109.9
33	Pittsburgh	.201	.423	32	+110.4
34	Buffalo	.172	.761	27	+342.4
35	Philadelphia	.172	.275	37	+ 59.9
36	New York	.158	.275	38	+ 74.1
37	Albany	.130	.426	33	+227.9
38	Boston	.129	.338	36	+162.0
39	Syracuse	.100	.317	39	+217.0
	39 Markets Combined	$1.432	$2.114		+ 47.6%

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DRY GROCERY MEXICAN FOOD NATIONAL TRENDS — PRODUCT CATEGORY/PRODUCT CLASS

	Dollars							Pounds						Dollars	Pounds
Category/Class	Year Ending 5/5/78 $ '000	Year Ending 5/4/79 $ '000	% Change vs. Previous Year	Year Ending 5/2/80 $ '000	% Change vs. Previous Year	Year Ending 5/1/81 $ '000	% Change vs. Previous Year	Year Ending 5/5/78 '000	Year Ending 5/4/79 '000	% Change vs. Previous Year	Year Ending 5/2/80 '000	% Change vs. Previous Year	Year Ending 5/1/81 '000	% Change vs. Previous Year	1981 vs. 1978 % Change	1981 vs. 1978 % Change
Total Mexican Food	$133,347	$157,277	+17.9%	$198,622	+26.3%	$251,436	+26.6%	182,700	198,000	+ 8.3%	237,300	+19.8%	269,000	+13.3%	+88.6%	+42.2%
Canned Mexican Sauces	44,024	53,581	+21.7	71,302	+33.1	91,699	+28.6	53,353	58,917	+10.4	74,268	+26.1	86,703	+16.7	+108.3	+62.5
Taco Kits	12,611	14,114	+11.9	16,019	+13.5	21,016	+31.2	6,345	6,725	+ 6.0	7,246	+ 7.7	8,644	+19.3	+66.7	+36.2
Canned Tortillas	1,326	1,242	− 6.4	1,048	−15.6	1,409	+34.4	1,059	988	− 6.7	768	−22.3	1,400	+82.3	+ 6.3	+32.2
Dry Taco Shells	21,209	25,288	+19.2	30,707	+21.4	42,229	+37.5	10,008	11,073	+10.6	12,754	+15.2	15,653	+22.7	+99.1	56.4
Canned Dinners/ Entrees*	20,250	23,486	+16.0	6,525		8,003	+22.7	32,961	34,758	+ 5.5	9,623		10,529	+ 9.4		
Canned Hors D'Oeuvres Dip Mix	2,124	2,337	+10.0	2,445	+ 4.6	2,803	+14.7	2,477	2,371	− 4.3	2,190	− 7.6	2,320	+ 5.9		
Canned Refried Beans	28,734	33,953	+18.2	39,909	+17.5	50,569	+26.7	72,286	78,965	+ 9.2	87,519	+10.8	99,797	+14.0		
Canned Vegetables**	2,824	3,039	+ 7.6	9,477		11,547	+21.8	3,993	3,977	− .4	13,856**		15,657**	+13.0		
Tamales*	NA	NA		20,992		21,844	+ 4.1	N.A.	N.A.		28,941		27,968	− 3.4		
Other Canned Mexican Food	154	133	−13.7	171	+28.6	295	+72.7	141	98	−29.9	99	+ 1.0	264	+166.5		
Taco Seasoning	15,179	18,086	+19.1	21,936	+21.3	28,089	+28.1	4,148	4,472	+ 7.8	4,913	+ 9.9	5,858	+19.2	+85.1	+41.2
Private Label	1,272	1,738	+36.6	3,107	+78.8	5,227	+68.2	2,609	3,694	+41.6	5,765	+56.1	8,925	+54.8	+310.9	+242.1

*Tamales formerly included in Canned Dinners Entrees **Mexican Peppers moved from Peppers category

REFRIGERATED MEXICAN FOOD NATIONAL TRENDS BY PRODUCT CLASS

	Dollars							Pounds						Dollars	Pounds
Class	Year Ending 5/5/78 $ '000	Year Ending 5/4/79 $ '000	% Change vs. Previous Year	Year Ending 5/2/80 $ '000	% Change vs. Previous Year	Year Ending 5/1/81 $ '000	% Change vs. Previous Year	Year Ending 5/5/78 '000	Year Ending 5/4/79 '000	% Change vs. Previous Year	Year Ending 5/2/80 '000	% Change vs. Previous Year	Year Ending 5/1/81 '000	% Change vs. Previous Year	1981 vs. 1978 % Change	1981 vs. 1978 % Change
Refrig. Mexican Dinners/Entrees	1,851	2,765	+49.4	2,989	+ 8.1	4,303	+43.9	1,612	2,102	+30.4	2,159	+2.8	2,832	+31.2	+132.5	+75.7
Refrig. Mexican Dips	2,588	2,964	+14.5	3,235	+ 9.1	4,097	+26.7	2,234	2,392	+ 7.1	2,454	+2.6	2,833	+15.4	+ 58.3	+26.8
Refrig. Tortillas	7,367	8,778	+19.1	10,136	+15.5	16,748	+65.2	13,556	14,751	+ 8.9	15,671	+6.2	22,026	+40.6	+127.3	+62.6
Total	$11,806	$14,508	+22.9%	$16,362	+12.8%	$25,148	+53.7%	17,398	19,245	+10.6%	20,284	+5.4	27,691	+36.5	+113.0	+59.2%

more growth, and 23 of the 29 markets had above average growth in annual household expenditures over the three-year period. The big market winners — gaining three or more rungs on the ladder over the 1978-1981 period — were Miami and Albany/Schenectady/Troy in dry grocery items and Indianapolis, Buffalo and Albany/Schenectady/Troy in frozen Mexican items.

More than ethnic phenomenon

The recent immigration of Cubans could explain some of the growth in Miami. But the other markets need closer examination to arrive at an explanation.

It's important to note that a large Hispanic population does not necessarily produce large Mexican food sales volumes. New York, for instance, has a large Hispanic population but is a relatively weak market for Mexican food.

Overall, the big northeastern and north central markets — Boston, New York, Pittsburgh, Philadelphia, Cleveland, etc. — have low per household consumption levels at this time. But the *rate of growth* in these markets is high, according to SAMI data.

The bottom 29 markets are also largely southern, although there is a wide variation in household consumption of Mexican food in these markets. Atlanta, for example, ranks 17th in both dry grocery and frozen food consumption by household, while Norfolk and Richmond rank 27th and 29th, respectively.

In the top 10 markets, on the other hand, Phoenix/Tucson is first by far, and growing in household consumption of dry grocery Mexican products. Kansas City, Seattle/Tacoma and Portland have also shown consistent strength in the category. The top 10 markets in 1978 are still the top 10 markets today.

In frozen Mexican items, however, the top 10 markets did not remain as strong over the three-year period. Only three of the 10 markets experienced above-average growth for the category. Still, the top four markets held their rank. Strong growth was posted in Phoenix/Tucson and San Antonio/Corpus Christi.

An analysis by product category/class of the top 10 markets in household consumption reveals some interesting variations. The high volume dry grocery classes — canned Mexican sauces, canned refried beans and canned Mexican dinners/entrees — dominate in the strong western and southwestern markets. However, the smaller classes — dry taco shells, canned Mexican vegetables, tamales and taco kits — are strong in southern markets.

Los Angeles, for instance, is not in the top 10 markets for the smaller dry grocery product classes. But it ranks in the top five in each of the larger product classes. Phoenix/Tucson, the strongest market overall, ranks either one or two in the larger classes but ninth in tamales and canned vegetables, fifth in dry taco shells and is not in the top 10 in taco kits.

This also seems true in the frozens category. The largest product classes — frozen dinners and regular entrees — are both dominated by the top ranking markets overall (western and southwestern markets). The smaller two classes show some surprises: Miami ranks fifth, Omaha/De Moines ranks sixth and New Orleans ranks seventh in household expenditures on tortillas.

Brands, items growing

Marketers, it seems, have begun to recognize and react to the potentially strong demand for Mexican food. A close look at the number of brands and items in 1979-1981 in one established market and one emerging market demonstrates this:

In Phoenix/Tucson, an established and growing leader in Mexican food, the dry grocery category consisted of 23 brands and 143 items in 1979 and in 1981 grew to 27 brands and 174 items. The frozen food category in the market today has 19 brands and 115 items, up from 15 brands and 85 items. The larger growth in the dry grocery area reflects the fact that, on average, households spend 50 percent more money on dry grocery Mexican foods than on frozen items. The dry grocery category is also growing more rapidly.

In Albany/Schenectady/Troy, an emerging market, the number of dry grocery items doubled while household demand increased fourfold and the number of frozen items tripled while demand increased two-fold.

The American palate thrives on experimentation in menus, both at home and away from home. In the 1960's, Oriental foods became extremely popular. In the 1970's, Italian pizza and spaghetti sauces experienced a great upsurge in popularity. Today, the trend is toward Mexican dishes, and those who see it coming will have the biggest profit edge. ■

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DRY GROCERY MEXICAN FOOD HIGHEST ANNUAL PER HOUSEHOLD CONSUMPTION BY PRODUCT CLASS

Canned Mexican Sauces

Phoenix/Tucson	$7.138
Denver	4.863
Los Angeles	4.275
San Francisco	3.300
Dallas/Ft. Worth	3.038
Kansas City	2.636
Portland, Ore.	2.375
Oklahoma City/Tulsa	2.350
San Antonio/Corpus Christi	2.313
Seattle	2.238

Taco Kits

New Orleans	$ .647
Birmingham	.597
St. Louis	.583
Memphis/Little Rock	.538
Charlotte	.514
Indianapolis	.503
Atlanta	.498
Nashville/Knoxville	.466
Cincinnati	.458
Jacksonville	.434

Dry Taco Shells

Kansas City	$2.044
Denver	1.836
Dallas/Ft. Worth	1.405
Seattle	1.251
Phoenix/Tucson	1.208
Oklahoma City/Tulsa	.990
Memphis/Little Rock	.836
Indianapolis	.820
St. Louis	.793
Portland, Ore.	.793

Canned Refried Beans

Phoenix/Tucson	$4.107
Denver	2.803
San Antonio/Corpus Christi	2.770
Los Angeles	2.355
San Francisco	2.106
Portland, Ore.	1.870
Seattle	1.544
Dallas/Ft. Worth	1.392
Kansas City	1.274
Salt Lake City	1.039

Tamales

Memphis/Little Rock	$1.089
Kansas City	1.054
St. Louis	1.037
Dallas/Ft. Worth	.919
Oklahoma City/Tulsa	.875
New Orleans	.749
San Francisco	.620
Salt Lake City	.543
Phoenix/Tucson	.530
Houston	.521

Canned Mexican Vegetables

Dallas/Ft. Worth	$1.037
Memphis/Little Rock	1.026
San Antonio/Corpus Christi	1.001
Houston	.930
Oklahoma City/Tulsa	.694
New Orleans	.643
Kansas City	.527
Denver	.319
Phoenix/Tucson	.208
Birmingham	.119

Canned Mexican Dinners/Entrees

Los Angeles	$ 754
Phoenix/Tucson	.530
San Francisco	.232
Denver	.232
Houston	.215
San Antonio/Corpus Christi	.185
Kansas City	.130
Dallas/Ft. Worth	.107

FROZEN MEXICAN FOOD HIGHEST ANNUAL PER HOUSEHOLD CONSUMPTION BY PRODUCT CLASS

Frozen Dinners

Dallas/Ft. Worth	$4.679
Oklahoma City/Tulsa	3.221
San Antonio/Corpus Christi	2.730
San Francisco	2.369
Seattle	2.271
Houston	2.189
Portland, Ore.	2.115
Phoenix/Tucson	2.025
Memphis/Little Rock	1.836
Salt Lake City	1.705

Regular Entrees

San Francisco	$3.503
Dallas/Ft. Worth	3.186
Phoenix/Tucson	3.1[illegible]7
Los Angeles	2.357
Houston	2.040
Oklahoma City/Tulsa	1.724
Denver	1.509
Seattle	1.500
San Antonio/Corpus Christi	1.453
Portland, Ore.	1.398

Tortillas

San Francisco	$ .882
Portland, Ore.	.741
Seattle	.683
Denver	.440
Miami	.429
Omaha/Des Moines	.390
New Orleans	.345
Oklahoma City/Tulsa	.342
Memphis/Little Rock	.329
Dallas/Ft. Worth	.319

Grande Entrees

Dallas/Ft. Worth	$ .911
Houston	.410
San Antonio/Corpus Christi	.405
Oklahoma City/Tulsa	.402
Denver	.370
New Orleans	.337
Memphis/Little Rock	.261
Seattle	.220
Atlanta	.195
San Francisco	.1[illegible]1

DRY GROCERY MEXICAN FOOD NATIONAL TRENDS PRODUCT CATEGORY/PRODUCT CLASS

	Dollars			Pounds		
Category/ Class	Year Ending 5/2/80 $ '000	Year Ending 5/1/81 $ '000	% Change	Year Ending 5/2/80 '000	Year Ending 5/1/81 '000	% Change
Total	$131,139	$150,964	+19.7%	116,000	122,000	+ 5.2%
Canned Dinners	58,116	61,889	+ 6.5	52,158	50,205	− 3.7
Regular Entrees	49,134	67,219	+36.8	38,664	44,729	+15.7
Grande Entrees	5,861	6,623	+13.0	4,989	5,138	+ 3.0
Pizzas	1,094	1,336	+22.1	581	515	−11.4
Tortillas	11,255	13,587	+20.7	16,233	17,901	+10.3
All Others	5,678	6,258	+10.2	3,191	3,301	+ 3.5
Private Label*	3,063	4,303	+40.5	1,911	2,241	+17.3

*Mostly regular entrees

COMPARISON OF NUMBER OF BRANDS & ITEMS IN ALBANY/SCHENECTADY/TROY & PHOENIX/TUCSON DRY GROCERY & FROZEN MEXICAN FOOD

Dry Grocery & Mexican Food Albany/Schenectady/Troy	Total Number Of Brands	Total Number Of Items
1979	3	15
1980	6	31
1981	4	29
Frozen Mexican Foods		
1979	5	8
1980	7	16
1981	9	27

Dry Grocery & Mexican Food Phoenix/Tucson	Total Number Of Brands	Total Number Of Items
1979	23	143
1980	26	152
1981	27	174
Frozen Mexican Foods		
1979	15	85
1980	14	95
1981	19	115

When shoppers reach for La Victoria they also reach for lots more.

There's no such thing as a ho-hum dish when La Victoria is around. La Victoria sauces, salsas, and dips put the pow into literally hundreds of dishes and snacks.

The message should be obvious: When consumers buy La Victoria they also buy other items from the high-profit sections of your store, such as poultry, meat, produce, dairy, deli, and other food specialties.

Studies show consumers purchase an additional $4 worth of grocery items for every $1 spent on La Victoria products.

Make sure you keep plenty of delicious La Victoria products on your shelves. The more La Victoria you sell, the more you'll sell of the many other foods that go with it.

La Victoria
Food secrets of Mexico
So good, so many ways

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SUPERMARKET BUSINESS

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SUPERMARKETING

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34TH ANNUAL CONSUMER EXPENDITURES STUDY

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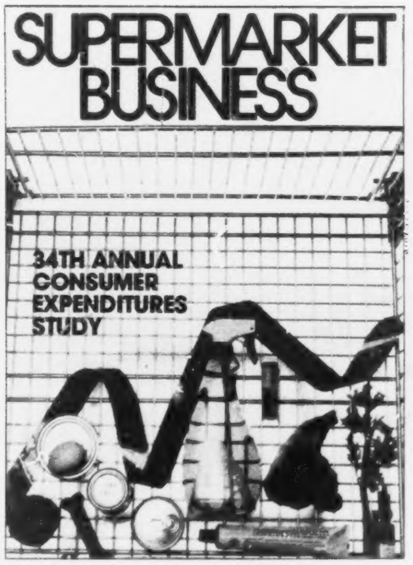

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TRADESCAN

STUDY: SINGLES NOT SO DIFFERENT FROM TRADITIONAL SHOPPERS

Is the "singles"segment really so different from the traditional shopper? No, according to a recent UCLA survey of 800 singles.

Conducted in 42 supermarkets in Los Angeles and Orange counties by food management students, the survey reveals that singles, like the traditional homemaker's family, eat at home most of the time.

In fact, in the seven days preceding the personal interviews, 73 percent had eaten every breakfast at home, 40 percent had eaten every lunch at home, and 41 percent had eaten every dinner at home.

Other findings which somewhat surprised study directors Dr. James H. Stevenson and Dr. Brian F. Harris were that:

☐ To the singles interviewed, *least* important when choosing a store is whether it has an extensive wine selection, service deli or gourmet foods. Rather, like the traditional homemaker, the decisive factor (cited by 91 percent as key) is quality and selection of produce.

☐ Also rated as important were quality of meat, courteous employees, convenience to home and fast check-out.

☐ The 10 items most frequently purchased by singles are for the most part traditional supermarket "power" basics — produce, meat, milk, eggs, cheese, cereal, soft drinks, soup, toilet paper and yogurt. These 10 items represent 40 percent of all items purchased by the singles surveyed.

Other findings which were more in line with the prevailing image of the new single shopper are:

☐ Most singles prefer to shop in the evening or on Saturday;

☐ Eighty-three percent try to save time by shopping at a single store. Related to this is that 81 percent of the singles surveyed prefer to shop at a large, one-stop-shopping supermarket.

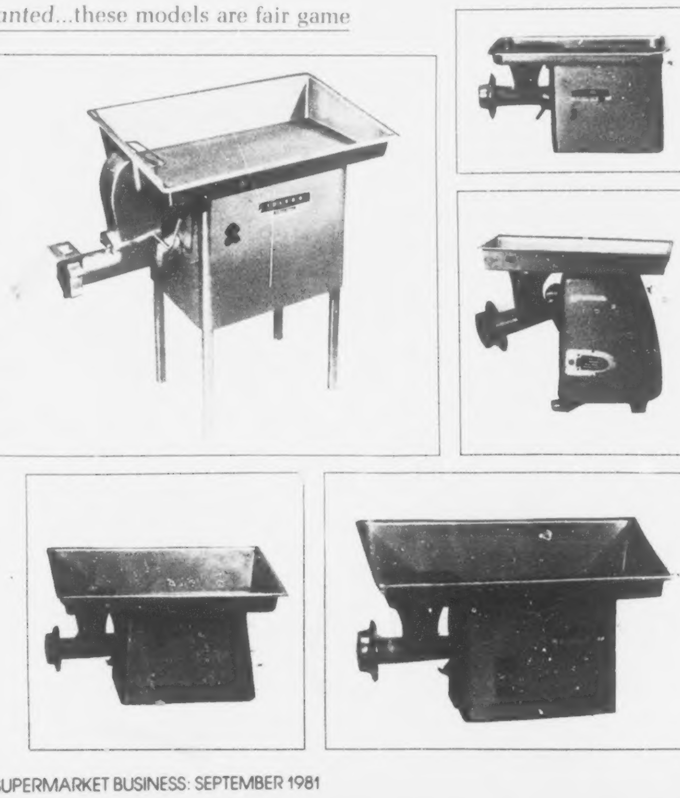
The survey was conducted in scanning stores. Half of the singles surveyed gave their register tapes to the interviewers, enabling the surveyors to compare the stated preferences to actual buying patterns. ■

TOLEDO OFFERS $25 BOUNTY TO GRINDER FINDERS

Toledo Scale has launched an aggressive, $6 million, continent-wide program to recover 20,000 meat grinders it manufactured.

The company, a division of Reliance Electric, aims to remove all but eight of its meat grinder models from the marketplace because of safety hazards. For 80 years, Toledo has made scales and backroom equipment. Today, the company produces wrapping equipment, UPC prepack systems and digital counter scales. In 1978, it discontinued manufacture of meat grinders.

Wanted...these models are fair game



Owners of the grinders will be offered up to a $1,000 trade-in credit for the machine or an "outright buy back." If an owner declines both of these offers, Toledo will make a free service call to ensure that the grinders can operate within safety limits.

This massive offensive against the meat grinder comes because the company feels it is not safe, and it wishes to avoid future product liability lawsuits. Since 1946, Toledo Scale has had 29 suits related to the grinders. Of these, one was lost by the company, four were decided in its favor, seven were settled, and 17 are still pending.

Toledo has paid out an aggregate sum of $1.5 million in these suits. In one case alone, decided in November, 1980, $600,000 was paid.

The meat grinder models which Toledo wants include all with these numbers: 5426, 5323, 5521, 5425, 5322, 5520, 5560, 5320, 5321, 5222, 5223, 5460, 5522, and 5324.

The danger related to con-

Continued on page 11

SHOPLIFTERS' "INCOME" KEEPS PACE WITH INFLATION

These days shoplifters are apparently finding they need to steal more to stay even with inflation.

The average value of merchandise recovered when a supermarket shoplifter was caught in 1980 was $8.69, up from $7.37 in 1979, according to Commercial Service Systems. In its most recent annual report on shoplifting, the firm also says that more apprehensions in supermarkets were recorded between 3 p.m. and 6 p.m. than at any other time of day, 39.3 percent of the total. Nearly 64 percent of those apprehended were under 30 years of age. The preferred methods of concealment reported are purses (34.1 percent), under clothing (23.7 percent) and pockets (21.5 percent). All other methods accounted for the remaining 20.7 percent. ■

EXECS REAP 11 PERCENT INCREASE IN COMPENSATION

Compensation of food industry executives increased 11.3 percent, on the average, in 1980 over 1979, according to Roth Young Personnel Service Inc., a nationwide agency that specializes in the food industry.

The annual survey of wages and salaries covers all executive positions in supermarkets, food sales, marketing and manufacturing.

Job title	Low (000)	Median (000)	High (000)
Bakery director/ instore	$19-23	$26-30	$32-41
Produce director	$19-23	$26-32	$33-41
Grocery buyer	$17-21	$21-29	$32-41
Dairy managers/ directors	$18-22	$26-30	$35-42
National sales manager	$32-40	$40-52	$55++
Product (brand) manager	$25-31	$29-38	$37-42
Director of marketing	$34-42	$41-48	$50-60+

Most significant compensation increases in 1980 went to equipment buyers. This relates

Continued on page 10

HOT HOOSIER DOG! IT'S 527 FEET OF FRANKFURTER

Now what would you do with a hot dog that is 527 feet long? Stage a "Guess the Length" promotion, and a "Hot Dog Day Afternoon," to boot. This is what Fort Wayne Scott's Food Stores Inc. did this summer to drum up a little business.

The Scott's Discount Foods and Parrot Packing Company devised the promotion as part of a summer-long cooperative advertising effort.

The sales stimulator also pulled in the community with weekly Summer Fest ad. of "Great Eating Ideas." The two companies ran the promotion through Labor Day, Sept. 7. But the executives are busy submitting documentation to the Guinness Book of World Records for having produced the world's longest hot dog.

It took a major part of the population of Fort Wayne to hold up the hot dog. The judges are still out on the Guinness decision. ■

1980 SALARY INCREASE

Continued from page 6

to intense need for energy management skills.

However, the meat, deli and frozen food buyers' average compensation also outpaced the industry average increase.

Bill Battles, of Roth Young, explains these trends in executive wages:

"Buyers now have one of the most important functions in the industry. Companies need bright, sharp buyers to compete."

As for store managers, Battles attributes the 1980 decline in average compensation for store managers to several factors.

"Store manager salaries shot up dramatically from '75, and now it's reached a plateau," he says. "During the Seventies, the expansion into the superstores, the combo, blew everything out of proportion (as far as managers' wages)."

In 1980, Roth Young says a low-range store manager received from $18,000 to $20,000 a median salary was $22,000 to $28,000 and a high was over $30,000. ■

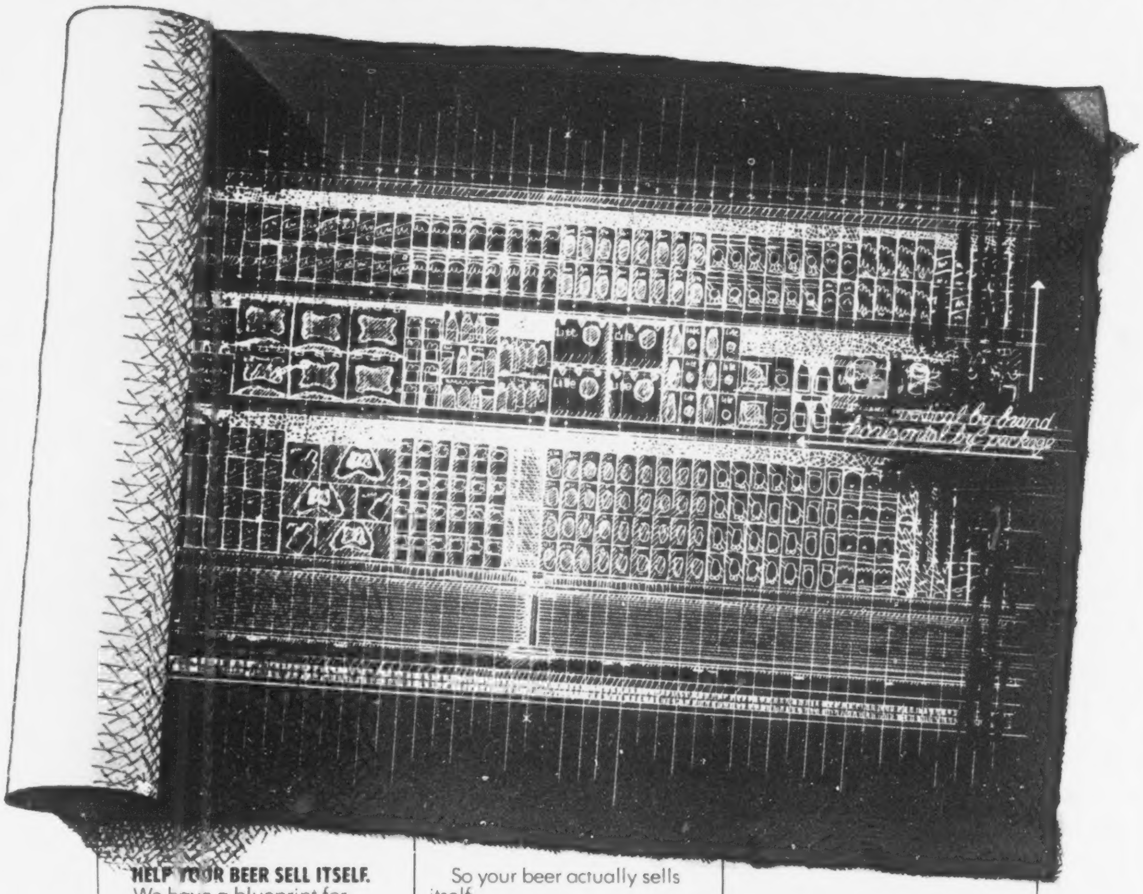
ZEN

Continued from page 5

Business Principles" (which have little to do with bottom-line values) of the Matsushita company, for example, and you are a goner.

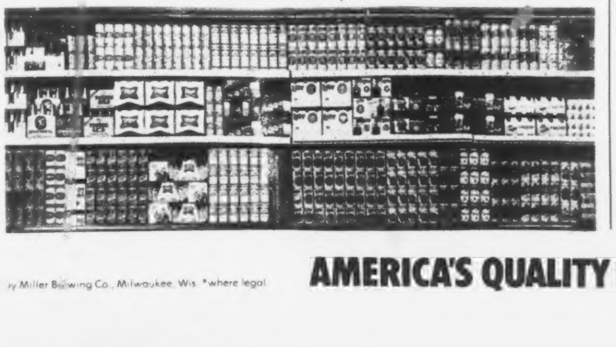
Think about it. Think of the well-run companies with long histories, still full of vitality, and think about what makes them different. Sometimes it's due to a strong manager, sure. But if the company survives the loss of a strong manager and produces new ones, then you know it's more than that. These are companies with direction, style, superordinate goals that everyone in the organization understands. That's what we can learn from the Japanese, and probably do it pretty well, too. ■

WE HAVE PLANS TO INCREASE YOUR BEER SALES.



HELP YOUR BEER SELL ITSELF.
We have a blueprint for increasing your beer sales!
It's called Vertibrand. And it's a technique whereby shelves and coolers are stocked vertically by brand and horizontally by package.
It makes your beer section more attractive to your customers. As well as making their favorite brand easier to buy.
So your beer actually sells itself.
And Vertibrand is easy to put into operation.

VERTIBRAND. STILL THE WAY TO GO.
Other companies have tried to copy our system. But none with the record that we've built up over the past six years.
Since 1973, thousands of stores from coast-to-coast have implemented Vertibrand.



Store owners and managers have found the Vertibranded space they've allotted to beer has produced a maximum return per foot and dollar invested.
So it makes good sense to use the Vertibrand Merchandising System when stocking your beer department.
Write and ask us about Vertibrand.
If you have plans to sell more beer LOOK TO THE LEADER IN BEER MERCHANDISING.
For more information,* write to Charles A. Whipple, V.P./Dir. of National Retail Sales, Miller Brewing Company, 3939 West Highland Boulevard, Milwaukee, Wisconsin 53201.

Miller

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AMERICA'S QUALITY BREWER SINCE 1855

Special SAMI Report

HOW MANY FOOD OPERATORS NOW HANDLE GENERICS?

SAMI shows which operators handle generic labels in five high-volume categories and the degree of penetration by category.

Food operators who now handle generic labels, both chains and wholesalers, are reported in a special study conducted by Selling Areas Marketing, Inc. The study shows which operators are handling generics in five high-volume categories: Jams, jellies and preserves; toilet tissues, frozen orange juice, margarine, and shampoo.

The report also shows which operators reporting to SAMI do not handle generics in 39 markets. With the exception of frozens and refrigerated products, better than half of all operators reporting now handle some generic labels. SAMI chose the five high-volume categories on the basis that operators not handling products in these categories would most probably not be handling any generics in the department as a whole.

While the generic share of the total volume has not changed appreciably from a year ago, it does represent over $1.2 billion in sales, up from some $840.000.

A summary table shows total volume for all operators reporting, the number of food operators, and the number of those shipping generics. Sales volume by department, generic dollar volume and percent share is also shown.

X = Shipping Generics

Market/Food Operator	Jams, Jellies Preserves	Toilet Tissue	Frozen Orange Juice	Margarine	Shampoo
Albany/ Schenectady/ Troy					
A & P	X	X			X
Albany Frosted					
Bi-Lo	X	X		X	
Grand Union	X	X		X	X
P & C	X	X	X		X
Price Chopper	X	X	X		X
Springfield Sugar	X	X	X	X	X
Wakefern	X	X	X	X	X
Atlanta					
A & P	X	X		X	X
Alterman (Big Apple)		X			
Associated Grocers					
Colonial	X	X			
Kroger					
May & Co.					
Sav-A-Stop					
Southeast Frozen Foods					
Winn-Dixie					
Baltimore/ Washington					
A & P	X	X	X	X	X
Acme	X				
Brody Bros.					
Food Fair	X	X	X	X	X
Grand Union	X	X		X	X
B. Green & Co.	X				
Rich Food	X				
Safeway Stores	X	X		X	X
P.A. & S. Small	X			X	
Southland					
Weis Markets					
Birmingham/ Montgomery/ Huntsville					
A & P	X	X		X	X
Associated Grocers					
Bruno's	X	X		X	X
Hudson-Thompson	X	X		X	X
May & Co.					
Piggly Wiggly Alabama					
Ragland Brothers	X	X			
Sav-A-Stop					
Super Valu	X	X	X	X	X
Winn-Dixie					
Boston/ Providence					
A & P	X	X	X	X	X
Almacs	X	X			
Buy Rite	X	X	X		
C & S Wholesale	X	X	X		
Cressey Dockham	X	X	X	X	
De Moulas					
First National					
Hendrie's			X		
Iandoli's	X	X			X
Milbrook Distributors					X
New England Grocer	X	X	X	X	X
Purity Supreme	X	X			X
Roger Williams	X	X			
Shaw's Supermarkets	X	X		X	X
Star Markets	X	X	X		
Stop & Shop		X			X
Winter Hill			X		
Buffalo/Rochester					
S.M. Flickinger	X		X		
Garrison Supply					
Loblaw Stores	X		X	X	X
Ocean Wholesale					
P & C Stores	X		X		X
P.J. Schmitt Co.	X		X	X	X
Star Supermarkets	X				
Tops Markets	X		X	X	X
Tripi Foods					
Wegman Food Markets	X			X	X
Charlotte					
A & P	X	X		X	X
Associated Grocers					
Bi-Lo					
Colonial					
Food Town					
Harris-Teeter	X	X			
Kroger					
Merchants Distributors	X	X			X
Sav-A-Stop					
Winn-Dixie					X
Chicago					
A & P	X	X			X
Central Grocers	X	X			
Certified	X	X			X
Dominick's	X		X		
Eagle					
Food Marketers		X	X		
Harco Distributing					
Hillman's	X	X	X	X	X
Jewel Food Stores	X	X			X
Kohl's Food Stores	X	X	X		X
Kroger					
Lake End Sales					X
Redi-Froz					
Scot Lad	X	X			
Wayco					
Cincinnati/ Dayton/ Columbus					
Big Bear		X	X	X	X
Cardinal Foods	X	X			
Creasy		X		X	
Fisher Foods	X	X	X	X	X
Flickinger	X	X	X	X	X
Kroger					
Marsh					
Parkview Food					
Redi-Froz					
Super Food Services	X	X			X
Super Valu	X	X	X	X	
White Villa					
Scot Lad	X	X		X	
Cleveland					
Albrecht	X	X		X	X
Betsy Ross					
Fisher Foods	X	X	X	X	X
Kroger					
McLain	X	X			X
Redi-Froz					
Pick 'N Pay					
Scot Lad	X	X		X	
Seaway	X	X			
Tamarkin	X	X	X		X
Dallas/ Ft. Worth					
Affiliated					X

GOLDEN CORN
GOLDEN CORN
GREEN BEANS
RED KIDNEY BEANS
133
133
CHICKEN NOODLE SOUP
Pure Ground BLACK PEPPER
WAFFLE SYRUP
69
1.09

Year Ending May 1, 1981

	Total SAMI Volume $ '000	Generic Volume '000	Generic Share
Dry Grocery: Food	$49,754,706	$ 705,402	1.4%
Dry Grocery: Non-Food	16,648,620	355,869	2.1
Frozen	8,942,769	43,518	0.5
Refrigerated	13,353,139	77,863	0.6
Health & Beauty Aids	4,653,751	19,806	0.4
GRAND TOTAL	**$92,352,9285**	**$1,202,458**	**1.3**

	No. of Food Operators Shipping Category	No. of Food Operators Shipping Generics	% of Total Shipping Generics
Jams, Jellies, Preserves	314	209	66.6%
Toilet Tissue	317	214	67.5
Frozen Orange Juice	289	84	29.1
Margarine	319	125	39.2
Shampoo	293	148	50.5

X = Shipping Generics

Market/Food Operator	Jams, Jellies, Preserves	Toilet Tissue	Frozen Orange Juice	Marga-rine	Sham-poo
Cullum Co.	X			X	X
Kroger					
Mass Merchandisers					X
Minyard's					
Safeway Stores	X	X	X	X	X
Southland					
Waples-Platter	X	X			
Winn-Dixie					X
Denver					
Albertson's	X	X	X	X	X
Associated Grocers	X	X	X	X	X
King Soopers	X	X	X	X	X
Safeway Stores	X			X	X
Sharoff & Co.					
Western Grocers	X	X	X	X	X
Des Moines/Omaha					
Associated Grocers of Iowa		X			
Fleming				X	
Hinky-Dinky		X		X	X
Hy-Vee	X		X	X	
Nash-Finch	X		X		X
Northside Produce					
Safeway Stores	X		X	X	
Super Valu	X	X	X	X	X
United Grocers	X	X			X
Detroit					
A & P	X	X	X	X	X
Allied Supermarkets					
Borman	X		X		
Chatham		X	X	X	X
Hamady Brothers	X				
Kroger					
Spartan Stores	X	X		X	X
Super Food Services	X	X	X	X	X
Houston					
Fleming	X	X		X	
Grocers Supply	X				
Kroger					
Safeway Stores		X	X	X	X
Schepps		X			X
Southland					
Weingarten	X	X		X	X
Indianapolis					
A & P	X	X		X	X
Allied Grocer					
Kroger					
Lake End Sales					X
Marsh					
Mass Merchandisers					X
National Tea	X	X		X	X
Redi-Froz					
Super Valu	X	X	X	X	
Wetterau	X	X			
Jacksonville/Orlando/Tampa					
A & P	X	X		X	X
Affliated	X	X			
Certified	X	X			
Colonial	X	X			
Florida Frozen Foods			X		
Food Fair	X	X		X	X
Grand Union	X	X			X
Kash N' Karry					
Malone & Hyde	X	X			
Publix	X	X			
Sav-A-Stop					
Southland					
Super Food Services	X	X		X	X
Winn-Dixie					
Kansas City					
A & P	X	X		X	X
Associated Wholesale	X	X		X	X
Fleming	X	X		X	
Mass Merchandisers					X
Milgram	X	X	X		X
Safeway Stores	X	X	X	X	
Los Angeles/San Diego					
Albertson's	X	X		X	X
Alpha Beta Acme	X	X			
Certified	X	X	X		X
Fed Mart	X	X			X
Kroger					
A.M. Lewis	X	X		X	X
Lucky Stores		X			
Ralph's	X	X	X	X	X
Safeway Stores	X	X		X	
Smart & Final Iris					
Triple A Products					X
Vons	X	X		X	
Memphis/Little Rock					
Affiliated	X	X			
P.A. Clayton	X	X			
Kroger					
Malone & Hyde	X	X			X
Mass Merchandisers					X
Rand's	X	X			
Safeway Stores	X	X	X	X	
Miami					
Associated Grocers					
Florida Frozen Foods					
Food Fair	X	X		X	X
Grand Union	X	X			X
Malone & Hyde	X	X			
Publix					
Sav-A-Stop					
Southland					
Winn-Dixie					
Milwaukee					
Eagle					
Godfreys					
Kohl's	X	X	X		X
Red Owl	X	X			
Roundy's	X	X		X	
Schultz Save-O-Stores		X	X		
Super Valu	X	X	X		
Minneapolis/St. Paul					
American Fruit & Produce					
Fairway	X	X			X
Hancock-Nelson					
Mass Merchandisers					X
May Brothers	X	X			
National Tea	X	X			X
Red Owl					
Super Valu	X	X	X	X	X
Nashville/Knoxville					
Bi-Rite Foods		X			

Continued on page 18

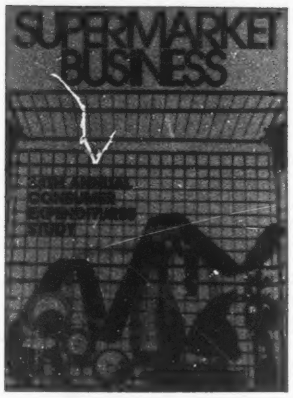
GENERICS

Continued from page 15

TRASH CAN LINERS
20
TALL KITCHEN CAN BAGS
30
PAPER TOWELS

X = Shipping Generics

Market/Food Operator	Jams, Jellies, Preserves	Toilet Tissue	Frozen Orange Juice	Margarine	Shampoo
K.M.C.	X	X			
Kroger					
Malone & Hyde	X	X		X	
Pay Cash	X	X			
C.B. Ragland		X			
Wetterau					
New Orleans					
A & P	X	X		X	X
Affiliated Foods					
Associated Grocers					
Consolidated Companies					
Delchamps		X	X		X
Louisiana Grocers Co-op		X			X
Mass Merchandisers					X
National Tea	X	X		X	X
Winn-Dixie					
New York					
A & P	X	X			X
Acme	X	X			
Drug Rack					X
First National	X	X		X	
Global Sysco					
Grand Union	X	X		X	X
Gristede Brothers					
Key Food Stores					
King Kullen					
Krasdale Foods	X	X			X
Nassau Suffolk					
Royal Food Distributors				X	
Shopwell					
Stop & Shop	X	X	X		
Supermarkets General	X	X		X	X
Twin County	X	X	X	X	
Viking Merchandise					
Wakefern	X	X	X	X	X
Waldbaum	X	X			
White Rose	X	X	X		X
Norfolk/Richmond					
A & P	X	X		X	X
Bisese & Console	X	X			X
Camellia Food Stores		X			
Colonial	X	X			X
Food Fair	X	X		X	X
Richfood	X				
Safeway Stores	X	X		X	X
Oklahoma City/Tulsa					
Affiliated Food Stores					
Fleming	X	X		X	
Hale-Halsell	X	X			X
Humpty Supermarkets					
Mass Merchandisers					X
Safeway Stores	X	X	X	X	X
Scrivner	X	X		X	X
Tyler & Simpson					
Philadelphia					
A & P	X	X		X	X
Acme	X	X			
Fleming/Thriftway Foods	X	X			X
Frankford-Quaker	X	X	X		X
Rotelle			X		
Royal Food Distributors				X	
Southland					
Supermarkets General	X	X	X	X	X
Wakefern	X	X	X	X	X
Weis Markets					
Phoenix/Tucson					
Associated Grocers	X	X			
Bashas'					
Bayless					X
Fry's	X	X		X	X
A.M. Lewis	X	X			
Mayfair					
Safeway Stores	X	X	X	X	X
Pittsburgh					
A & P	X	X			X
Charley Brothers	X	X	X	X	X
Fox	X	X	X	X	
Giant Eagle			X	X	
Kroger					
Tamarkin	X	X	X		X
Thorofare	X	X		X	X
Portland, Oregon					
Albertson's	X	X		X	X
American-Strevell	X	X		X	X
Fred Meyer	X	X		X	X
Minute Maid					
Safeway Stores	X	X		X	X
Tradewell	X	X		X	
United Grocers		X			
West Coast Grocers	X	X	X	X	X
Raleigh/Greensboro/Winston Salem					
A & P	X	X		X	X
Central Carolina					
Colonial					
Food Town					
Food World					
Merchants Distributors	X	X			X
Southeast Frozen Foods					
Winn-Dixie	X				
Salt Lake City/Boise					
Albertson's	X	X	X	X	X
American-Strevell	X	X		X	X
Associated Foods	X	X		X	X
Safeway Stores	X	X		X	
Smith's Food King	X	X	X	X	
San Antonio/Corpus Christi					
H.E. Butt	X	X			X
Fleming	X				
Groce-Wearden	X				
Handy Andy	X	X			X
Kroger					
Labatt					
Safeway Stores	X	X	X	X	X
Sweeney & Co.	X	X			
San Francisco					
Albertson's	X	X		X	X
Alpha Beta Acme	X	X			
Associated Cooperatives					
Fleming					
Lucky Stores					
Market Wholesale	X	X			
Rawson Drug					
Safeway Stores	X	X	X	X	
United Grocers Ltd.	X	X			
Seattle/Tacoma					
Albertson's	X	X		X	X
American-Strevell	X	X		X	
Associated Grocers					
Minute Maid					
Safeway Stores	X		X	X	X
Tradewell	X	X		X	
West Coast Grocers	X	X	X	X	X
St. Louis					
Associated Grocers					
General Grocer	X	X		X	
Kroger					
Mass Merchandisers					X
National Tea	X	X		X	X
Schnuck	X	X	X		
Tom Boy					
Wetterau	X	X			
Syracuse					
Flickinger	X	X	X		
Grand Union	X	X		X	X
P & C Stores	X	X	X		X
Price Chopper	X	X	X		X
Tops Markets	X	X	X	X	X
Victory Markets	X	X	X	X	X
Wegman Food Markets	X	X	X	X	X



34TH ANNUAL CONSUMER EXPENDITURES STUDY

GROCERY RETAILING IN THE '80s — THE TREND LINES ARE BECOMING CLEAR

BY KEN PARTCH, EDITOR

Grocery retailing trends in the Eighties have begun to take on firm, hard lines of direction. There is less doubt now, less confusion about what is happening in the marketplace and why. We know now that there is a place for the warehouse store (with all its variations), for the limited assortment store, the super store, the combination store, the specialty store and the conventional supermarket. The remaining questions are about how many, where and what new variation on the theme will be played.

The same is true of generic labels. We know they are not likely to go away. The number of operators carrying generics continues to grow, while certain categories are more likely than others to be exploited by them in depth (see page 14).

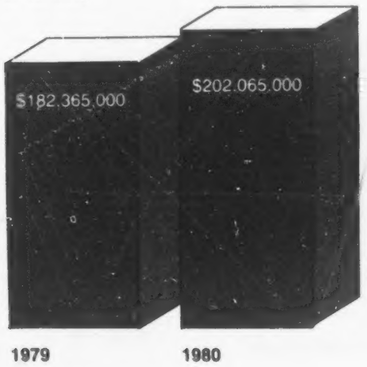
The net effects of both generics and limited assortment stores of any variety will be felt for many years to come. As scanning and computer versatility continues to improve, retailers will continue to find ways to limit variety in sizes, flavors and brands in those stores where they wish to. In others, variety will become a positive merchandising tool.

The message for the Eighties is that there is no longer any single, best way to do anything. This is as true for suppliers and manufacturers as it is for chains, independents and wholesalers. This is the real meaning of the word "dynamics" in grocery retailing in the Eighties. To fail to understand this is to fail to be able to deal with the coming decade. Manufacturers cannot count on universal distribution of a new product or a line. Promotional tools have built-in limitations with a variety of store formats and a variety of responses to promotions —

Continued on page 33

HIGHLIGHTS OF 1980

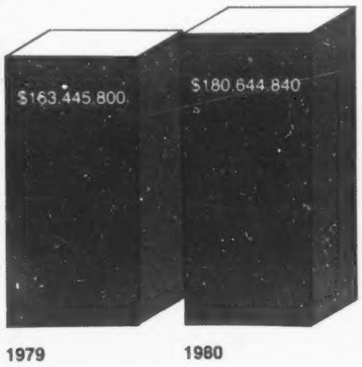
TOTAL SUPERMARKET AND GROCERY STORE SALES (ADD 000)



Gain $19,700,000

+10.8%

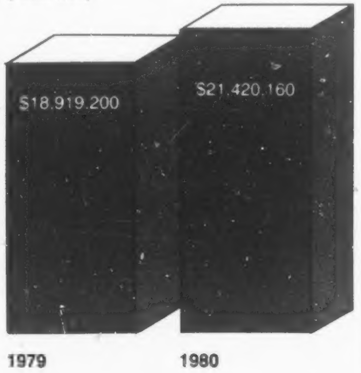
SALES OF ALL FOOD & GROCERY PRODUCTS (ADD 000)



Gain $17,199,040

+10.3%

SALES OF GENERAL MERCHANDISE/HBA (ADD 000)



Gain $2,500,960

+13.2%

BY CAROL FENSHOLT, MANAGING EDITOR

The nation's biggest business is on the move again — food stores rebounded in 1980 to bag a 2.1-percent tonnage increase.

For an industry that has recently been flat—and worse than flat—this may be the most exciting part of the 1980 story.

Predictably in these times of inflation, total food store volume hit a new high — food stores rang up sales of $202 billion in 1980. That's a 10.8-percent rise over 1979's sales of $182.3 billion.

Some easing up on the price pedal also was accomplished — grocery food retails advanced just eight percent in 1980. While beleaguered consumers may applaud a price hike of "just" eight percent with a faint fanfare, it does represent a drop of more than two per-

Continued on page 37

Grocery Store Sales Rise 10.8% to $202 Billion

by Marianne Faybik, market research director

The dynamics of the U.S. grocery business are such that nationwide sales trend predictions are usually composites. They are the combined results of population trends, size and number of stores, per capita consumption and the retail prices for purchased commodities.

These dynamics change annually — the U.S. population explodes one year, and begins to approach "zero growth" a few years later. Grocery stores vary in size, number and format from one year to the next. People change their eating habits from week to week. And prices, though rising generally, have also been known to plunge for some food store items — sugar and coffee, for instance.

According to the U.S. Department of Commerce, grocery store sales again set a record. The sales figure for 1980 was $202.065 billion. That was 10.8 percent, or almost $20 billion, higher than the 1979 record of $182.365 billion.

SUPERMARKET BUSINESS' 34th Annual Consumer Expenditures Study (CES) endorses these government findings. In the pages that follow, we break down these total sales figures into more than 450 product categories and sub-categories.

Comparison of the 1979 sales figure ($182.365 billion) with the estimate we printed a year ago ($179.717 billion) shows an upward revision of over $2.6 billion. This adjustment is in line with the Commerce Department's recent decision to change its earlier estimate for that year. After examining the reasons and methods it used to make this adjustment, SUPERMARKET BUSINESS concluded that the revision was justifiable.

Endorsement for this new total sales figure for 1979 made it necessary for us to adjust some of our earlier estimates of various categories for that year. The bulk of the revision affected the CES "all other" categories, whose components are too diverse to be listed separately. Other categories revised up include canned and chilled orange juice, flashlights and batteries, eye makeup, makeup bases, and greeeting cards.

In line with our practice of recent years, the CES again analyzes the influences that price changes had on sales dollars in 1980 compared to 1979. Total food sales in grocery stores rose 10.3 percent.

The Bureau of Labor Statistics, in calculating its national Consumer Price Index (CPI), indicates that prices for "foods consumed at home" rose eight percent.

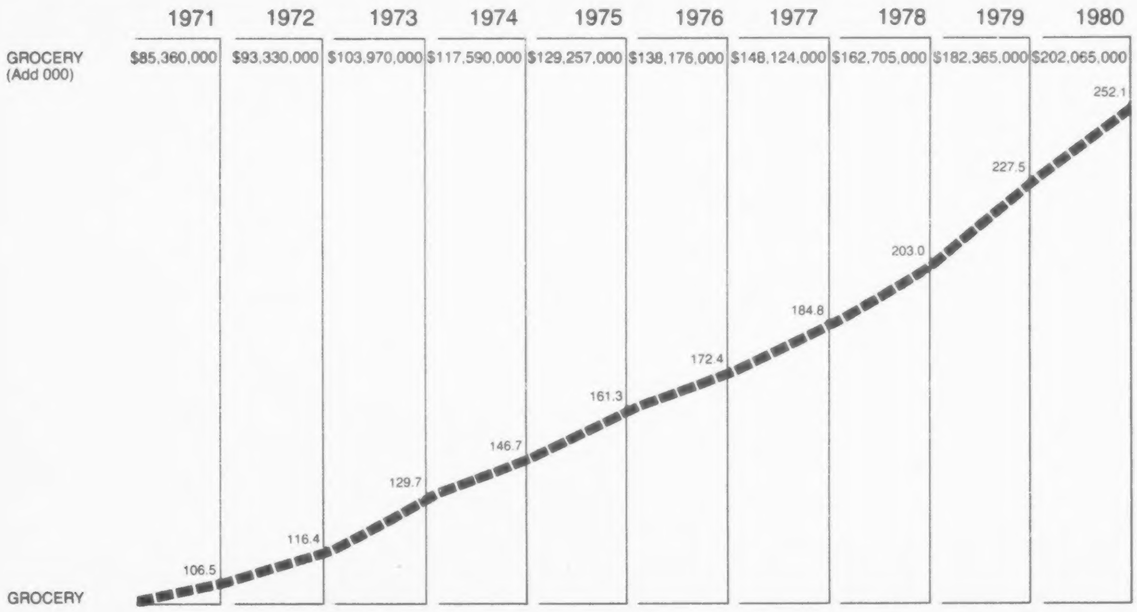
The simple mathematics of the 10.3-percent increase in food dollar sales, coupled with an eight-percent rise in prices paid, result in a 2.1-percent increase in grocery store food tonnage.

As the table and charts that follow reveal, there are many instances where changes in dollar sales don't tell the whole story. Prominent among them is the 57-percent increase reported for sugar sales in 1980. The 56-percent rise in retail sugar prices brings that tonnage increase down to 0.6 percent.

The 34th Annual Consumer Expenditures Study (CES) is bigger and, we think, better than its 33 predecessors. Our gratitude goes to the many manufacturers, packers, wholesalers, retailers, ad agencies, market research companies and U.S. government personnel who contributed to the wealth of information we present here. ■

GROCERY STORE SALES TEN-YEAR INDEX OF SALES 1970-1980

BASE YEAR—1970 = 100.0%



SUPERMARKET & GROCERY STORE SALES GAINS: 1965–1980

	% CHANGE	VOLUME GAIN (000)
1964 to 1965	Up 6.6%	$ 3,740,000
1965 to 1966	Up 7.1%	$ 4,290,000
1966 to 1967	Up 0.6%	$ 370,000
1967 to 1968	Up 7.6%	$ 4,950,000
1968 to 1969	Up 5.5%	$ 3,850,000
1969 to 1970	Up 8.5%	$ 6,280,000
1970 to 1971	Up 6.5%	$ 5,210,000
1971 to 1972	Up 9.3%	$ 7,970,000
1972 to 1973	Up 11.4%	$10,640,000
1973 to 1974	Up 13.1%	$13,620,000
1974 to 1975	Up 9.9%	$11,667,000
1975 to 1976	Up 6.9%	$ 8,919,000
1976 to 1977	Up 7.2%	$ 9,948,000
1977 to 1978	Up 9.8%	$14,581,000
1978 to 1979	Up 12.1%	$19,660,000
1979 to 1980	Up 10.8%	$19,700,000

SALES BY TYPE OF FOOD STORE 1980 VS. 1979

	ADD 000		% OF TOTAL VOLUME	
	1980	1979	1980	1979
Supermarkets Over $2 million	$139,040,930	$125,467,120	63.9%	64.1%
Superettes $1 million to $2 million	17,175,525	15,268,915	7.9	7.8
Other Grocery Stores Under $1 million*	$ 45,848,545	$ 41,628,965	21.1	21.2
TOTAL SUPERMARKETS & OTHER GROCERY STORES	**$202,065,000**	**$182,365,000**	92.9%	93.1%
Specialty Food Stores¹	$ 15,446,000	$ 13,461,000	7.1	6.9
TOTAL FOOD STORE SALES	**$217,511,000**	**$195,826,000**	100.0%	**100.0%**

* Includes convenience stores and other small grocery stores.

[1] Includes meat, seafood, fruit and vegetable markets, confectionery, bakery, dairy and other food stores. Excludes grocery stores.

SALES BY DEPT. AS PORTION OF TOTAL STORE

	1980	1979
Fresh meat, fish, poultry	22.14%	22.83%
Fresh produce	10.25	10.33
Dairy section	7.50	7.45
Baked goods[1]	6.01	5.96
Frozen foods[2]	4.59	4.61
Alcoholic beverages	[illegible]	5.01
Prepared beverages	3.35	3.58
Soft drinks	2.57	2.41
All other foods	15.12	14.78
Other groceries	12.75	12.66
Total foods & groceries	**89.40%**	**89.62%**
Health & beauty aids, Rxs	4.33%	4.21%
Other general merchandise	6.27	6.17
Total general merchandise	**10.60%**	**10.38%**
TOTAL	**100.00%**	**100.00%**

[1] Excludes frozen pies, cakes, pastries

[2] Includes pies, cakes, pastries. Excludes breads & rolls.

PARTCH
Continued from page 31

— such as double and triple coupons. Market analysis is complicated by the fact that it is difficult to know where your product is selling, to what degree and why. Warehouse and limited assortment stores do limited advertising and promotion. Yet, they may account for a sizeable portion of sales in many markets.

The impact of warehouse stores and other formats in some markets makes it difficult to measure product performance accurately. In markets such as Milwaukee, St. Louis, and Kansas City, the impact of warehouse stores has had a profound and ongoing effect on market shares, and success or failure of chains and individual stores. Wholesalers have had to roll with the punches, or become leading advocates of one or more of the new store formats, in order to assure growth and a fair share of the market. Many chains, from Safeway to Jewel to Purity Supreme and A&P, are each operating several different formats in order to exploit specific markets and gain market share.

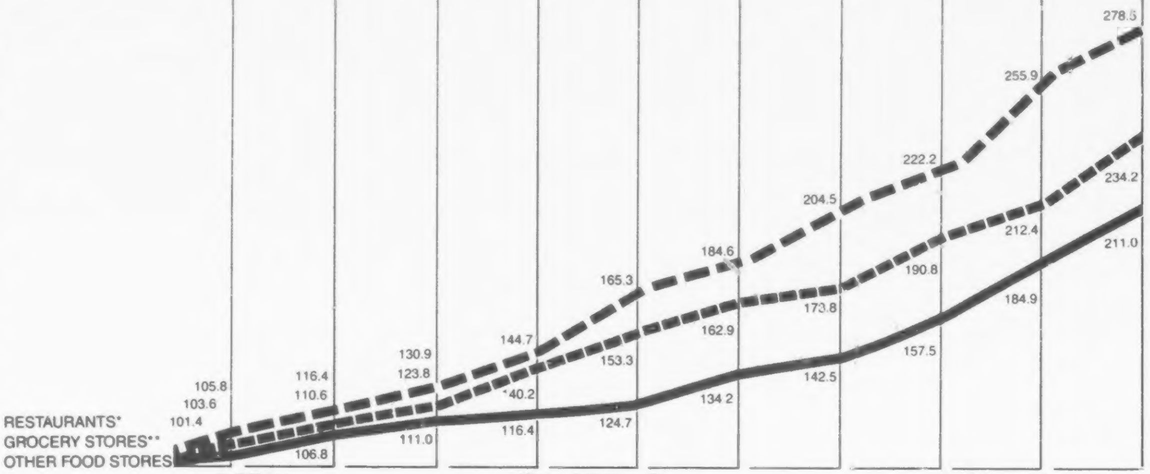
That's another lesson of the Eighties — that the grocery retail industry is still very much a local business with distinct local characteristics which are not necessarily translatable to other markets in exactly the same way.

SUPERMARKET BUSINESS made this point in several issues during 1981, beginning with its January article, "Going for Share." There's the Grand Union story, with its Basics stores. Having achieved wild success in the Ft. Lauderdale area of Florida in 1979 and late 1980, Grand Union attempted the same conversion of existing stores in the New Jersey, New York State and Connecticut markets.

After some initial success, the entrenched competitors of these very competitive markets, Shop-Rite, Pathmark and others, launched a powerful counterattack that just about stopped the Basics incursion cold. The competition understood the game — that an initial foothold in the market could not be permitted

FOOD SALES BY RESTAURANTS, GROCERY, OTHER FOOD STORES. 1970-1980 BASE YEAR—1970 = 100.0%

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
RESTAURANTS*	$32.9	$36.2	$40.7	$45.0	$ 51.4	$ 57.4	$ 63.6	$ 69.1	$ 79.6	$ 86.6
GROCERY STORES**	$68.5	$73.1	$81.8	$92.7	$101.3	$107.7	$114.9	$126.1	$140.4	$154.8
OTHER FOOD STORES (Add 000)	$ 7.4	$ 7.8	$ 8.1	$ 8.5	$ 9.1	$ 9.8	$ 10.4	$ 11.5	$ 13.5	$ 15.4

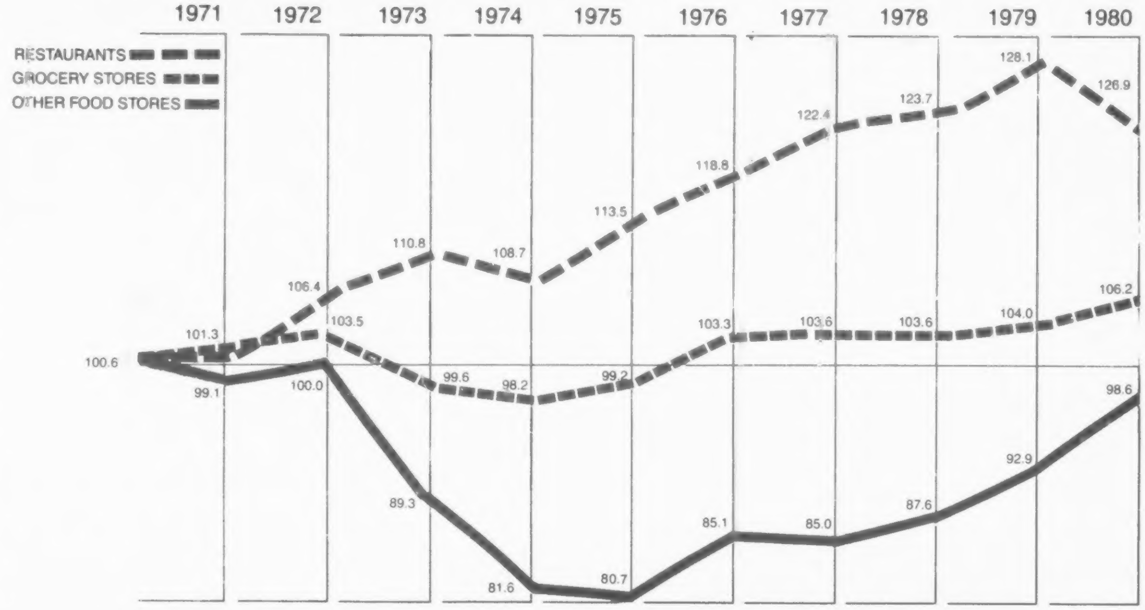


(In Billions)

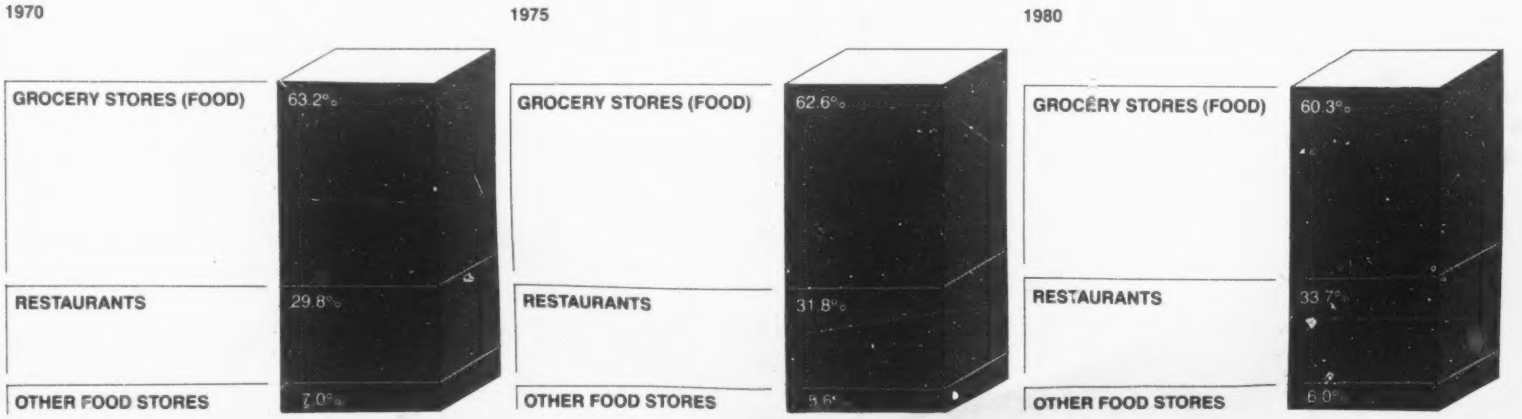
*Eating & Drinking Places.

**Food Sales Only

INDEX OF FOOD "TONNAGE" SALES BY TYPE OF OUTLET—1970-1980 BASE YEAR—1970 = 100.0%



DISTRIBUTION OF THE RETAIL FOOD DOLLAR



without allowing permanent damage to market shares. This was a lesson that was not learned in Milwaukee, and just barely in time in St. Louis. The Kansas City battle continues, and Detroit operators are adding more competitive heat to an already tough marketing situation. And yet, other markets, such as Buffalo and Rochester, N.Y., have felt very little pressure from warehouse stores. Most that have been tried in these markets have failed.

Who shops the new formats and why? Who buys generics and why? The "why" is easier to answer than the "who." Why is usually because of the difference in price and the perceived minimal loss in value. Most attempts at describing warehouse store customers, limited assortment store customers, or generics customers according to demographics are not too successful.

Too many warehouse stores and limited assortment stores have succeeded in too many different kinds of demographic markets to make any simple deductions. The same is true for generics. If a generic label is tried and found to be below acceptable quality, it is just not rebought. But this fact seems to have little spillover effect on other generics even within the same store. In certain product categories, such as paper products, generics have found a large and stable market. In other product categories, such as refrigerated and frozen, generic labels are being introduced and accepted more slowly.

The remarkable thing about generic labels is that there is still so much confusion about what they are and where they fit in the marketing scheme of things. Do they take more share of market from private labels than they do from advertised brands? How much do they cost the store in terms of gross margin? Those are difficult questions that cannot be answered accurately without considerable data tracking and comparison analysis. It is hard to know what might have sold had the generic not been offered as a so-called competitive

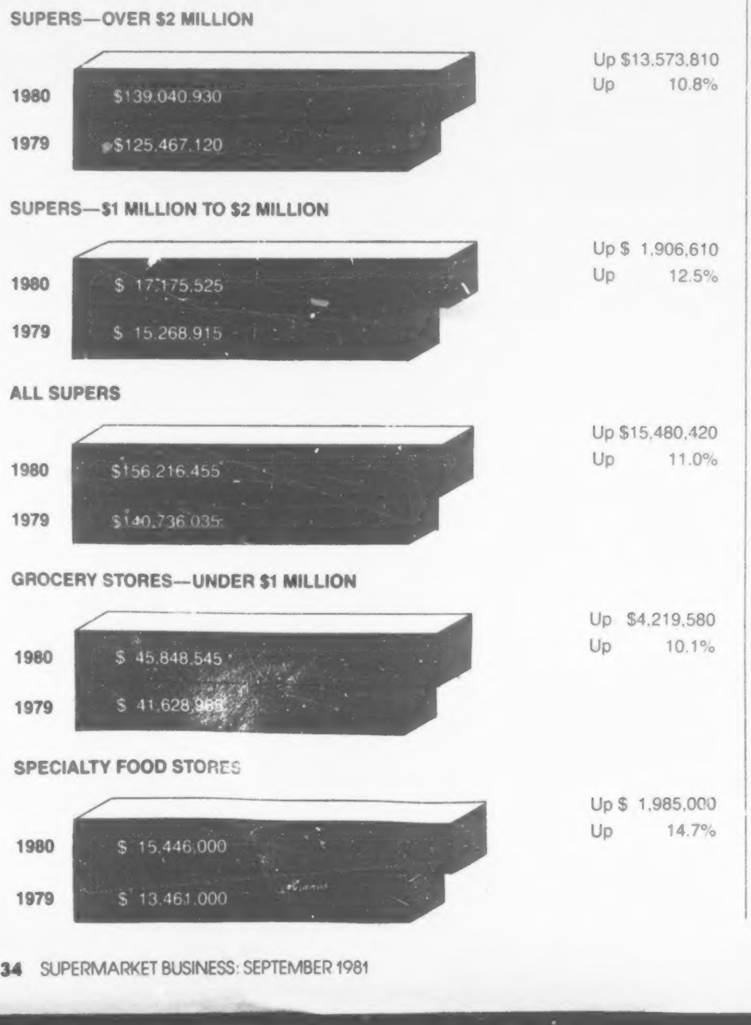
PROFILE OF GROCERY STORE SALES BY NUMBER OF STORES OPERATED

COMPANIES OPERATING	1980 SALES (000)	1979 SALES (000)	% OF TOTAL -1980	% OF TOTAL 1979	% CHANGE
Single units	$ 54,355,490	$ 49,968,010	26.9%	27.4%	+ 8.8%
2 or 3 stores each	9,699,120	8,935,880	4.8	4.9	+ 8.5
4 or 5 stores each	6,264,020	5,653,320	3.1	3.1	+10.8
6 to 10 stores each	7,678,470	6,747,510	3.8	3.7	+13.8
11 to 25 stores each	11,921,830	10,577,170	5.9	5.8	+12.7
26 to 50 stores each	12,932,160	11,671,360	6.4	6.4	+10.8
51 to 100 stores each	14,952,810	13,312,640	7.4	7.3	+12.3
101 or more stores each	84,261,100	75,499,110	41.7	41.4	+11.6
TOTAL	**$202,065,000**	**$182,365,000**	**100.0%**	**100.0%**	**+10.8%**

Based on trend of Single Units and Multi Units sales provided by 1958, 1963, 1967, 1972, and 1977 Censuses of Retail Trade Reports.
Projections to 1979 and 1980 sales by SUPERMARKET BUSINESS.

SALES CHANGES 1980 VS. 1979

ADD 000 TO ALL DOLLAR FIGURES



WHERE THE 1980 SALES INCREASE CAME FROM

	SALES INCREASE OVER 1979 (000)	% OF TOTAL GAIN
1 Fresh & Cured, Meat, Fish, Poultry	$3,094,400	15.7%
2 Fresh Produce	1,861,860	9.4
3 Dairy Section	1,567,070	8.0
4 Household Supplies	1,507,780	7.7
5 Baked Goods	1,280,990	6.5
6 Alcoholic Beverages	1,220,720	6.2
7 Canned Foods	1,016,420	5.2
8 Health & Beauty Aids (non-Rx)	982,380	5.0
9 Frozen Foods	876,000	4.4
10 Sweeteners, Flavors	815,750	4.1
11 Soft Drinks	799,470	4.1
12 Tobacco Products	691,250	3.5
13 Cereals, Flour, Macaroni	653,710	3.3
14 Pet Foods	341,360	1.7
15 Condiments, Dressings, Spreads	331,690	1.7
16 Housewares	310,290	1.6
17 Dried Foods	240,640	1.2
18 Candy & Chewing Gum	178,700	0.9
19 Magazines & Newspapers	113,170	0.6
20 Prescriptions	105,550	0.5
21 Flashlights & Batteries	104,710	0.5
22 Photographic Supplies	78,930	0.4
23 Fats & Shortening	66,050	0.3
24 Pet Accessories	51,060	0.3
25 Motor Oil and Additives	38,790	0.2
All Other Products	1,371,260	7.0
TOTAL GAIN	**$19,700,000**	**100.0%**

FOOD STORE SALES: 1980 vs. 1979

ADD 000 TO ALL DOLLAR FIGURES

	1980	1979	$ Change	% Change
Independent Grocery stores & Supermarkets (Operators of 1 to 3 stores)	$ 68,880,173	$ 61,835,745	+ $ 7,044,428	+ 11.4%
Chain Grocery Stores and Supermarkets (Operators of 4 or more stores)	$133,184.827	$120.529.255	+ $12.655.572	+ 10.5%
TOTAL GROCERY STORE SALES	**$202,065,000**	**$182,365,000**	**+ $19,700,000**	**+ 10.8%**
Specialty Food Stores (Meat, Seafood, Fruit & Vegetable Markets, Confectionery, Bakery and other food stores)	$ 15.446,000	$ 13,461,000	+ $ 2,005,000	+ 14.7%
GRAND TOTAL	**$217,511,000**	**$195,826,000**	**+ $21,685,000**	**+ 11.1%**

selling tool.

One thing is certain. Fewer and fewer chains and wholesalers are holding out completely against offering generics. Lucky Stores (Dublin, Calif.) one of the longest holdouts, announced this year that it would experiment with generics. A box score of who offers generics and who does not among SAMI reporting chains and wholesalers appears on page 14 of this issue. Kroger is one of the few top ten chains that still does not offer generic labels. In categories such as paper goods, 67 percent of operators tracked by SAMI now offer generic label paper.

However, to keep things in proper perspective, generics still account for just 1.3 percent of total national projected volume. But it is growing — up to $1.2 billion from some $840,000 a year ago.

A curious new attitude toward generics also appears to be developing. While it was long thought that generics would have a difficult time gaining a respectable image, the opposite appears to be the case. Generics appear to be developing their own respectability — at least when compared with a third or fourth brand in a category.

Generic labels offer consumers a kind of anonymity at a time when

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THE 10 LEADERS IN STORE VOLUME

RANK	ITEM	1980 GROCERY STORE SALES (ADD 000)	% CHANGE IN SALES '80 VS '79	% of STORE VOLUME
1	Fresh Beef	$18,761,620	8.9%	11.97%
2	Provisions	13,683,510	5.8	6.77
3	Fresh Vegetables	12,346,240	7.2	6.11
4	Beer	9,154,650	13.1	4.53
5	Fresh Fruit	8,357,910	14.1	4.14
6	Cigarettes	6,547,270	11.6	3.24
7	Paper Products	6,012,720	13.6	2.98
8	Fresh Milk	5,346,010	12.6	2.65
9	Fresh Poultry	5,151,080	6.3	2.54
10	White Bread	5,112,550	11.9	2.53

GROCERY STORE SALES BY DEPARTMENT——1980 VS. 1960

	1980			1960		
DEPARTMENT	GROCERY STORE SALES (000)	% OF TOTAL STORE	% OF MARKET	GROCERY STORE SALES (000)	% OF TOTAL STORE	% OF MARKET
PERISHABLES						
Baked Goods	$ 12,154,750	6.01%	59%	$ 3,617,280	7.46%	52%
Dairy Section	15,150,920	7.50	50	4,242,130	8.75	32
Frozen Foods	9,276,110	4.59	72	1,957,390	4.04	80
Fresh Meat, Fish, Poultry	44,739,600	22.14	69	11,747,880	24.24	56
Produce	20,704,150	10.25	74	5,048,130	10.41	62
Total Perishables	$102,025,530	50.49%	64%	$26,612,810	54.90%	52%
DRY GROCERIES						
Baking Needs	$ 55,170	.03%	89%	$ 38,550	.08%	87%
Beverages, Alcoholic	10,353,490	5.12	36	2,412,580	4.98	22
Beverages, Prepared	6,771,820	3.35	77	1,784,420	3.68	68
Beverages, Soft Drinks	5,194,730	2.57	58	566,450	1.17	26
Candy & Chewing Gum	2,074,250	1.03	30	551,660	1.14	22
Canned Foods[1]	11,250,730	5.57	83	3,794,710	7.83	78
Cereals, Flour, Macaroni	5,241,810	2.59	87	1,420,540	2.93	82
Condiments, Dressings, Spreads	3,280,460	1.62	75	939,480	1.94	70
Desserts	268,660	.13	89	115,560	.24	85
Dried Foods	2,320,930	1.15	66	596,810	1.23	52
Fats & Shortening	1,296,350	.64	78	764,940	1.58	66
Jams, Jellies, Preserves	717,780	.36	85	214,810	.44	85
Sweeteners, Flavors	2,524,440	1.25	82	658,210	1.36	74
All Other Foods	1,465,750	.73	85	308,470	.64	53
Total Dry Groceries	$ 52,816,370	26.14%	59%	$14,167,190	29.24%	46%
TOTAL FOODS	$154,841,900	76.63%	63%	$40,780,000	84.14%	50%
GROCERY PRODUCTS						
Household Supplies	$ 14,033,540	6.95%	82%	$ 2,531,090	5.22%	72%
Pet Foods	3,228,170	1.60	92	381,320	.79	72
Tobacco Products	6,812,320	3.37	42	1,968,640	4.06	30
All other Grocery Products	1,728,910	.85	96	*	*	*
Total Foods & Groceries	$180,644,840	89.40%	64%	$45,661,050	94.21%	49%
GENERAL MERCHANDISE/HBA						
Health & Beauty Aids (Non-Rx)	7,756,940	3.84%	38%	$ 1,276,970	2.63%	24%
Greeting Cards	175,860	.09	7	11,180	.02	3
Household Glassware	118,790	.06	14	315,770	.65	nd
Housewares, Other	2,435,530	1.21	nd			
Magazines & Newspapers	897,090	.44	16	69,920	.15	3
Phonograph Records	141,960	.07	8	65,920	.14	13
Toys	159,070	.08	3	24,800	.05	1
Other General Merchandise	9,734,920	4.81	nd	1,044,390	2.15	nd
Total General Merchandise	$ 21,420,160	10.60%	nd	$ 2,808,950	5.79%	nd
GRAND TOTAL	$202,065,000	100.00%	nd	$48,470,000	100.00%	nd

[1] Excludes infant formulas

*Included in "all other non-foods" in 1960 study

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thrift is both necessary and possibly chic. There is a kind of spartan defiance in a label that is so blatantly stark. It is unashamedly utilitarian. For many people these days, and not only those with very limited budgets, there is psychological appeal in the "no frills" idea that an obscure packer label would never offer. The success of generic cigarettes points out that something has changed in the minds of many consumers. For a significant saving and minimal loss in value (if any) many consumers *will* switch.

In the present economic climate, which is not likely to change drastically in the first half of the decade at least, cost-cutting store formats and generic labels have a definite place in the market. The questions are: Where are the limits? How many warehouse stores can a market support? How many super stores? What share of market will generics eventually capture?

These are the questions everyone in grocery marketing will be asking during the Eighties. It is a good bet that the answers will differ from market to market if present trends continue. In a depressed market such as Buffalo, there may not be enough gross margin for warehouse stores to make a real impression.

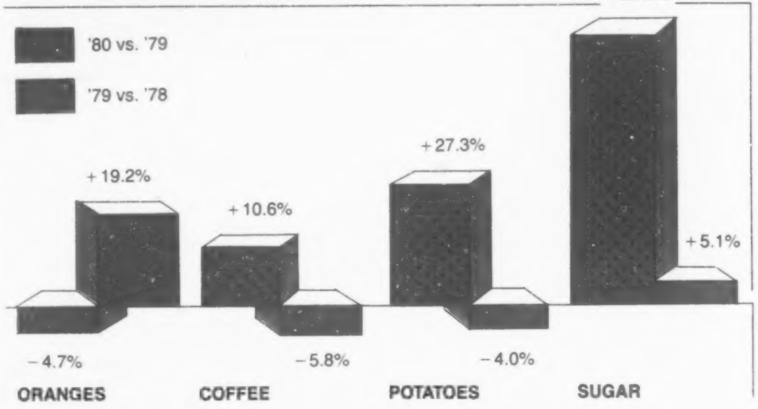
Yet, in Detroit, warehouse stores are beginning to make themselves felt, and may be touching off a new round of price wars. At this writing, Safeway and King's Soopers in Denver are beginning to challenge each other on price. Acme tried "West Coast" Alpha Beta tactics in Philadelphia and stirred the competition into action. In Washington-Baltimore, Giant experimented with a hybrid store to compete with A&P's Plus and Grand Union's Basics. Eventually, it was Pantry Pride who gave up the ghost in that market.

Few operators, today, can say that we are this kind of company and will remain as this kind of company forever. Most are leaving the options open, while many openly experiment with or have converted to several different modes and formats.

In this issue, SUPERMARKET BUSINESS details how consumers spent $202 billion dollars in 1980 in all kinds of grocery outlets. The story is largely one of rising prices and continued inflation when it comes to food and grocery products, with some notable exceptions such as fresh and canned poultry. Health and beauty aids, as well as general merchandise categories such as flashlight batteries and motor oil, continued to show increases.

According to the Department of Agriculture, actual expenditures for food rose at a sharp pace in the first half of 1980, but slowed in the second half. However, price increases more than made up for the loss in tonnage in the second half. ■

4 LEADERS IN PRICE FLUCTUATION '80 VS. '79, '79 VS. '78



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centage points from the price pace of the recent past:

In 1978, grocery store food prices rose 10.4 percent; in 1979, the rate accelerated to 10.8 percent.

Reviewing the figures for 1980, it appears that a number of trends came together to produce this happy turn of events for the grocery industry.

Grocers boost market share

First, Consumer Expenditures Study figures show the grocery industry increasing its share of the total U.S. food market one point, from 62 to 63 percent.

At least part of the explanation for this is that consumer dollars spent for "food away from home" —

CHANGES IN RETAIL PRICES OF SELECTED SUPERMARKET ITEMS*: 1980–1979

	% CHANGE 1980 VS. 1979	% CHANGE 1979 VS. 1978
Food	+ 8.6	+ 10.9
Food Away From Home	+ 9.9	+ 11.2
Food At Home	+ 8.0	+ 10.8
Food and Beverages	+ 8.5	+ 10.8
Cereals and Bakery	+ 11.9	+ 10.1
Bread, white	+ 11.9	+ 11.9
Other bread	+ 10.6	+ 10.7
Cookies	+ 11.2	+ 9.9
Cakes, cupcakes	+ 12.0	+ 9.8
Flour, prepared mixes	+ 9.7	+ 10.2
Fresh Beef	N.A.	N.A.
Sirloin Steak	+ 7.3	+ 21.6
Hamburger	+ 2.9	+ 33.5
Chuck Roast	+ 5.2	+ 31.7
Pork	− 3.4	+ 1.5
Chops	− 4.7	+ 3.3
Bacon	− 3.0	− 7.2
Sausage	− 2.4	+ 4.4
Canned Ham	− 2.3	+ 2.4
Other Meats	N.A.	N.A.
Frankfurters	+ 3.5	+ 17.6
Bologna, liverwurst, salami	+ 5.1	+ 15.2
Beef and Veal	+ 5.7	+ 27.3
Poultry	+ 5.1	+ 5.0
Fresh Whole Chicken	+ 8.2	+ 1.9
Fresh and Frozen Chicken Parts	+ 6.1	+ 5.3
Other Poultry	− 0.4	+ 9.2
Fish and Seafood	+ 9.2	+ 9.8
Canned Fish	+ 14.5	+ 7.2
Fresh and Frozen Fish and Seafood	+ 6.2	+ 11.3
Dairy Products	+ 9.8	+ 11.6
Fresh Whole Milk	+ 8.8	+ 11.5
Butter	+ 12.4	+ 13.1
Eggs	− 1.8	+ 9.5
Cheese	+ 10.0	+ 12.3
Ice Cream & Related Products	+ 13.5	+ 11.7
Other Dairy Products	+ 10.9	+ 9.2
Fresh Fruits & Vegetables	+ 7.5	+ 7.6
Apples	+ 16.3	− 1.2
Bananas	+ 14.6	+ 12.9
Oranges	− 4.7	+ 19.2
Potatoes	+ 27.3	− 4.0
Lettuce	− 2.7	+ 4.5
Tomatoes	+ 1.7	+ 11.0
Processed Fruits	+ 6.7	+ 11.8
Frozen fruit & fruit juices	+ 3.5	+ 7.3
Other fruit juices	+ 10.5	+ 11.4
Canned & dried fruits	+ 5.1	+ 16.0
Processed Vegetables	+ 7.3	+ 5.5
Frozen Vegetables	+ 7.7	+ 4.9
Cut Corn & Canned Beans except lima	+ 5.0	+ 7.4
Other canned and dried vegetables	+ 8.3	+ 4.8
Sugar and Sweets	+ 22.9	+ 7.8
Candy and Chewing gum	+ 10.6	+ 9.3
Sugar and Artificial Sweeteners	+ 56.0	+ 5.1
Other Sweets	+ 11.5	+ 7.9
Fats and Oils	+ 6.6	+ 8.0
Margarine	+ 3.9	+ 6.3
Other fats, oils and salad dressings	+ 7.0	+ 9.0
Non-dairy Substitutes and Peanut Butter	+ 9.5	+ 8.1
Prepared Beverages	+ 10.6	+ 5.0
Cola drinks except diet cola	+ 12.5	+ 9.5
Carbonated drinks including diet cola	+ 11.0	+ 8.3
Other non-carbonated drinks	+ 7.5	+ 7.1
Roasted Coffee	+ 10.6	− 5.8
Freeze-dried Instant coffee	+ 8.6	− 4.3
Alcoholic Beverages	+ 8.3	+ 7.9
Beer and Ale	+ 10.3	+ 10.4
Whiskey	+ 6.4	+ 4.1
Wine	+ 8.7	+ 9.0
Other Prepared Foods	+ 10.8	+ 10.1
Canned, packaged soup	+ 9.0	+ 9.1
Frozen prepared foods	+ 10.6	+ 12.8
Snacks	+ 11.5	+ 11.8
Seasonings, olives pickles, relish	+ 10.5	+ 9.1
Miscellaneous prepared foods	+ 11.0	+ 9.0
Other canned, packaged prepared foods	+ 8.6	+ 9.6
HOUSEKEEPING SUPPLIES		
Soaps and Detergents	+ 12.0	+ 7.4
Other laundry, cleaning products	+ 9.6	+ 6.8
Paper towels, napkins tissues	+ 11.1	+ 9.9
Miscellaneous household products	+ 11.3	+ 7.7
TOBACCO PRODUCTS		
Cigarettes	+ 7.7	+ 6.0
Other tobacco products and smoking accessories	+ 8.5	+ 6.4
HEALTH & BEAUTY AIDS		
Prescriptions	+ 9.2	+ 7.8
Hair Products	+ 10.3	+ 6.7
Dental and Shaving Products	+ 9.4	+ 8.7
Cosmetic, bath and nail products, manicure and eye makeup implements	+ 8.2	+ 7.0
Other toilet goods	+ 9.3	+ 5.3
GENERAL MERCHANDISE		
Newspapers	+ 11.5	+ 6.6
Stationery & supplies	+ 7.3	+ 6.0
Magazines, Books	+ 10.4	+ 8.5
Photo Supplies	+ 11.5	+ 4.4
Motor Oil, Coolant and other products	+ 38.6	+ 8.6

*Source: Bureau of Labor Statistics, Consumer Price Index
N.A. = Not available

COMPARISON OF GROCERY STORE SALES TO OTHER RETAILING INDUSTRIES*: 1980 VS. 1979

	1980 SALES (000)	% OF TOTAL	% CHANGE 1980 VS. 1979
ALL RETAIL STORES	**$956,655,000**	**100.0%**	**+ 7.0%**
Grocery Stores	202,065,000	21.1	+ 10.8
Specialty Food Stores	15,446,000	1.6	+ 14.7
Eating & Drinking Places	86,612,000	9.1	+ 8.8
Motor Vehicle Dealers	148,799,000	15.6	− 7.6
Gasoline Service Stations	94,470,000	9.9	+ 29.1
Building Supply, Hardware Stores	48,210,000	5.0	− 4.1
Furnishings, Appliances	43,198,000	4.5	+ 3.2
General Merchandise Group	116,287,000	12.2	+ 6.0
Apparel Group	44,487,000	4.7	+ 5.0
Drug & Proprietary Store	31,557,000	3.3	+ 12.3
Liquor Stores	16,556,000	1.7	+ 8.3
All other retail stores	108,968,000	11.4	+ 12.4

*As indicated by USDC.

GROCERY STORE SALES TRENDS: 1958–1980

	1958**	1963**	1967**	1972**	1977**	1978*	1979*	1980*
Number of Grocery Stores	259,796	244,838	218,130	194,346	178,835	177,522	174,430	174,000
Sales (000)	$43,696,000	$52,566,470	$65,073,736	$93,327,525	$148,124,000	$162,705,000	$182,365,000	$202,065,000
Sales per store	$ 168,193	$ 214,656	$ 298,326	$ 480,213	$ 828,272	$ 916,314	$ 1,045,491	$ 1,161,293
U.S. Population (000)	174,000	178,000	198,000	208,000	216,800	218,000	220,099	226,541
"People" per store	670	727	908	1,070	1,212	1,228	1,262	1,302
Number of Grocery Stores								
Over $2,000,000	10,332	14,464	6,949	13,020	21,964	22,610	23,874	24,323
$1,000,000–$2,000,000			12,046	11,974	8,914	9,706	10,438	10,035
$500,000–$1,000,000	9,092	11,143	11,797	10,581	11,462	12,555	13,719	13,810
$500,000 or more	19,424	25,607	30,792	35,575	42,340	44,871	48,031	48,168
All other	240,372	219,231	187,338	158,771	136,495	132,651	126,399	125,832
Sales (000)								
Over $2,000,000	$18,757,000	$26,407,140	$21,279,973	$45,774,976	$101,615,221	$111,778,541	$125,467,120	$139,040,930
$1,000,000–$2,000,000			17,193,778	17,365,359	12,949,858	14,108,739	15,268,915	17,175,525
$500,000–$1,000,000	6,445,000	8,056,130	8,572,415	7,589,579	7,918,789	8,409,088	8,922,004	9,699,120
$500,000 or more	$25,202,000	$34,163,270	$47,046,166	$70,729,914	$122,483,868	$134,296,368	$149,658,039	$165,915,575
All other	$18,494,000	$18,403,200	$18,027,570	$22,597,611	$ 25,640,132	$ 28,408,632	$ 32,706,961	$ 36,149,425
Sales per store								
Over $2,000,000	$ 1,815,430	$ 1,825,710	$ 3,062,307	$ 3,808,234	$ 4,626,444	$ 4,943,766	$ 5,255,387	$ 5,716,438
$1,000,000–$2,000,000			1,427,343	1,450,256	1,452,755	1,453,610	1,462,820	1,711,562
$500,000–$1,000,000	708,860	722,980	726,661	717,284	690,873	669,780	650,339	702,326
$500,000 or more	$ 1,297,470	$ 1,345,850	$ 1,527,870	$ 1,988,192	$ 2,892,864	$ 2,992,944	$ 3,115,863	$ 3,444,519
All Other	$ 76,940	$ 82,370	$ 96,230	$ 142,328	$ 187,847	$ 214,161	$ 258,760	$ 287,283
Sales—% of Total Grocery Sales								
Over $2,000,000	42.9%	50.2%	32.7%	49.1%	68.6%	68.7%	68.8%	68.8%
$1,000,000–$2,000,000			26.4	18.6	8.7	8.7	8.4	8.5
$500,000–$1,000,000	14.7	15.3	13.2	8.1	5.4	5.2	4.9	4.8
$500,000 or more	57.6%	65.5%	72.3%	75.8%	82.7%	82.6%	82.1%	82.1%
All other	42.4%	34.5%	27.7%	24.2%	17.3%	17.4%	17.9%	17.9%
Chains (4 or more stores)	19,935	24,078	29,342	32,695	41,173	40,291	38,881	38,581
Total sales (000)	$21,055,749	$27,258,710	$36,530,190	$56,940,000	$ 98,889,410	$109,175,050	$120,529,255	$133,184,827
Sales per store	$ 1,056,220	$ 1,132,100	$ 1,244,980	$ 1,741,530	$ 2,401,800	$ 2,709,660	$ 3,099,950	$ 3,452,083
% of Total Sales	48.2%	51.9%	56.1%	58.7%	66.8%	67.1%	66.1%	65.9%
All other stores	239,861	220,760	188,788	161,651	137,662	137,231	135,549	135,419
Total sales (000)	$22,640,594	$25,307,760	$28,543,546	$36,387,525	$ 49,234,590	$ 53,529,950	$ 61,835,745	$ 68,880,173
Sales per store	$ 94,390	$ 114,639	$ 151,194	$ 225,100	$ 357,650	$ 390,072	$ 456,187	$ 508,645
% of Total Sales	51.8%	48.1%	43.9%	41.3%	33.2%	32.9%	33.9%	34.1%

**Based on USDC Censuses of Retail Trade. 1977 Sales adjusted to include taxes.
*Grocery store sales reported by U.S. Dept. of Commerce.

that is, in restaurants, fast food outlets, snack bars, et al — when adjusted for inflation — were fractionally less in 1980 than they were in 1979.

In fact, Department of Agriculture statistics reveal sluggish restaurant sales for both 1979 and 1980. And fourth-quarter 1980 volume was a full four percent below that of the same year-earlier period.

Because consumers held back on "food away from home" spending, allocating a larger share of their dollar to food stores, grocery food tonnage increased.

There may be several reasons why consumers are restraining their restaurant spending.

First, the record shows restaurant price hikes outpacing grocery store food prices — "food away from home" prices rose 11.2 percent for 1979 over 1978, and 9.9 — nearly 10 percent — for 1980 over 1979.

Meanwhile, disposable personal income, when adjusted for price increases, declined fractionally on a per capita basis, according to Department of Agriculture numbers.

Priced out of restaurants?

Caught in this kind of wringer, and with food stores becoming an even better value as their price pace slows, consumers may be deciding they simply can't afford to eat out as often.

A second factor contributing to the growth in food store share and tonnage may be the spreading concern for better diet, nutrition and health.

Perceiving certain fast food outlets especially as offering less-than-adequate nutrition and flavor, more people appear to be opting for the truly fresh and nutritious ingredients available at their supermarket.

This trend has not gone unnoticed by the grocery industry — more and more companies are capitalizing on it by adding delis, bakeries, cheese shops and fish coves, as well as beefing up their

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meat and polishing their produce images.

Some grocers are also adding more heat-and-serve entrees to their deli cases: still others are adding restaurants, piggybacking on their traditional "fresh product" franchise to help them compete with McDonald's and Burger King.

As grocers continue to react and refine their responses to the fast food threat and the number of food stores offering such amenities grows, supermarkets will probably be able to siphon off more and more of the restaurant dollar.

Also helping the food tonnage growth along was a population increase — U.S. population rose to 226.5 million in 1980.

Industry store drop slows

No doubt aided by our sophisticated new management tools and techniques, the grocery industry nicely handled the 1980 tonnage and volume increases out of fewer stores than existed the previous year.

This trend to fewer stores has prevailed for many years, as a glance at Census of Retail Trade data shows (see "Grocery Store Sales Trends: 1958 to 1980" chart, page 38).

In 1980, though, the number of store closings slowed dramatically. Year-earlier data shows a drop of a whopping 3,092 units, from 177,522 stores in 1978 to 174,430 stores in 1979.

But 1980 figures show a loss of a mere 430 units, as the number of stores declined to 174,000.

Perhaps it was the tonnage growth that gave many stores a reprieve. Perhaps it was better merchandising and operations, as the industry continues to grow in skill and sophistication. Or perhaps it was simply that the precipitous 1979 drop represented simultaneous pruning of many operators' most unprofitable units.

Whatever the reason, we look forward to store closing stats for 1981 — it should be interesting to see what effect this year's competitive battles and store format strate-

RETAIL FOOD PRICE INDEX*: 1967-1980

YEAR	FOODS AT HOME	FOODS AWAY FROM HOME
1967	100.0	100.0
1968	103.2	105.2
1969	108.2	111.6
1970	113.7	119.9
1971	116.4	126.1
1972	121.6	131.1
1973	141.4	141.4
1974	162.4	159.4
1975	175.8	174.3
1976	179.5	186.1
1977	190.2	200.3
1978	210.2	218.4
1979	232.9	242.9
1980	251.5	267.0

*BLS Consumer Price Index.

CONSUMER PURCHASES IN GROCERY STORES 1980–1979: PER CAPITA AND PER HOUSEHOLD

U.S. POPULATION* HOUSEHOLDS*	1980 226.5 MILLION 80.4 MILLION		1979 220.1 MILLION 77.3 MILLION	
	Annual	Week	Annual	Week
Perishables				
Per Capita	$ 450.44	$ 8.66	$ 424.10	$ 8.16
Per Household	$1,268.97	$24.41	$1,207.57	$23.22
Dry Groceries				
Per Capita	$ 233.14	$ 4.48	$ 213.58	$ 4.11
Per Household	$ 656.92	$12.63	$ 608.15	$11.70
TOTAL FOODS				
Per Capita	$ 683.63	$13.15	$ 637.69	$12.26
Per Household	$1,925.89	$37.04	$1,815.72	$34.92
Other Groceries (Non-Edible)				
Per Capita	$ 113.92	$ 2.19	$ 104.91	$ 2.02
Per Household	$ 320.93	$ 6.17	$ 298.72	$ 5.74
TOTAL FOODS & GROCERIES				
Per Capita	$ 797.55	$15.34	$ 742.60	$14.28
Per Household	$2,246.82	$43.21	$2,114.43	$40.66
General Merchandise/HBA				
Per Capita	$ 94.57	$ 1.82	$ 85.96	$ 1.65
Per Household	$ 266.42	$ 5.12	$ 244.75	$ 4.71
TOTAL				
Per Capita	$ 892.12	$17.16	$ 828.56	$15.93
Per Household	$2,513.24	$48.33	$2,359.18	$45.37

*Population and Household data from U.S. Bureau of the Census. Households include 1-person households. Excludes armed forces overseas.

HOW THE AVERAGE SHOPPER SPENT THE WEEKLY SUPERMARKET BUDGET*

	1980	1979
PERISHABLES		
Baked goods	$ 2.91	$ 2.70
Dairy section	3.62	3.38
Frozen foods	2.22	2.09
Fresh meat and provisions	9.06	8.78
Fresh fish	.41	.38
Fresh poultry	1.23	1.20
Produce	4.95	4.69
Total for Perishables	$24.40	$23.22
DRY GROCERIES		
Beer	$ 2.19	$ 2.01
Wine and liquor	.29	.26
Baby food (excluding cereals, formulas)	.17	.16
Cereal and rice	.74	.66
Candy and chewing gum	.50	.47
Canned foods		
Fruits	.35	.34
Juices and drinks	.26	.26
Meat and poultry	.48	.45
Milk	.09	.09
Seafood	.39	.35
Soups	.28	.26
Vegetables	.60	.58
Coffee and tea	1.46	1.47
Dried foods	.56	.52
Jams, jellies and preserves	.17	.16
Macaroni, spaghetti, noodles	.18	.17
Desserts	.06	.06
Soft drinks	1.24	1.09
Sugar	.52	.34
All other edibles	2.11	2.00
Total for Dry Groceries	$12.64	$11.70
Total for Foods	$37.04	$34.92
OTHER GROCERIES		
Paper goods	$ 1.44	$ 1.32
Soaps, detergents	.88	.84
Other household supplies	1.04	.96
Pet foods	.77	.72
Tobacco products	1.63	1.52
Groceries, n.e.c.	.41	.39
Total for Other Groceries	$ 6.17	$ 5.75
GENERAL MERCHANDISE		
Health and beauty aids (non-Rx)	$ 1.89	$ 1.69
Prescriptions	.24	.22
Housewares	.58	.53
All other general merchandise	2.41	2.27
Total for General Merchandise	$ 5.12	$ 4.71
GRAND TOTAL	$48.33	$45.37

*Includes 1-person households

gies will have on total units.

On these pages are a number of charts and graphs highlighting some of the most important information and significant happenings of 1980, as well as 10 pages of tables with sales data on individual products and categories.

Keep in mind as you read that most of the information is presented in terms of dollar sales; since the inflation rate is different for virtually every product, it would require a veritable army of market researchers to produce accurate tonnage or unit performance figures for every one of the more than 455 product categories we track. ■

THE 10 FASTEST GAINERS IN 1980* — RANKED ACCORDING TO PERCENTAGE GAIN IN SALES

*Excludes HBA.

RANK	ITEM	'80 GROCERY STORE SALES (000)	PERCENT INCREASE FROM 1979	PERCENT OF STORE VOLUME 1980
1	Sugar	$2,177,370	57.0%	1.08%
2	Batteries	393,350	35.2	.20
3	Hypoallergenic infant formulas	68,390	31.7	.03
4	Premoistened towels & wipes	40,780	27.0	.02
5	Charcoal briquets	222,510	26.9	.11
6	Routine infant formulas	294,670	26.3	.15
7	Orange juice (dairy)	822,730	25.7	.41
8	Canned poultry	93,570	23.8	.04
9	Motor oil	199,020	21.5	.10
10	Ballpoint & fountain pens	36,660	21.3	.02

CHANGE IN "TONNAGE" FOR 15 LEADING $ GAINERS AND $ LOSERS: 1980 VS. 1979

PRODUCT CATEGORY	% CHANGE 1980 VS. 1979 GROCERY STORE SALES $	RETAIL PRICE*	GROCERY STORE TONNAGE
Sugar	+57.0%	+56.0%	+ 0.6%
Soft drinks	+18.2	+11.8	+ 5.7
Wine	+17.4	+ 8.7	+ 8.0
Potatoes	+21.1	+27.3	− 4.9
Cheese	+14.5	+10.0	+ 4.1
Beer	+13.1	+10.3	+ 2.5
Cigarettes	+11.6	+ 7.7	+ 3.6
Butter	+11.1	+12.4	− 1.2
Frozen vegetables	+10.2	+ 7.7	+ 2.3
Candy & chewing gum	+ 9.4	+10.6	− 1.1
Fresh Poultry	+ 6.3	+ 5.1	+ 1.1
Fresh pork	+ 6.4	− 3.4	+10.1
Fresh milk	+12.6	+ 8.8	+ 3.5
Veal	− 5.3	+ 7.3	−10.9
Eggs	− 1.1	− 1.8	+ 0.7

*Based on BLS Consumer Price Index.

THE 10 FASTEST LOSERS IN 1980* — RANKED ACCORDING TO PERCENTAGE LOSS IN SALES

RANK	ITEM	'80 GROCERY STORE SALES (000)	PERCENT DECREASE FROM 1979	PERCENT OF STORE VOLUME
1	Jars	$ 34,460	11.7%	.02%
2	Synthetic orange fruit drinks (frozen)	38,780	5.7	.02
3	Veal	603,450	5.3	.30
4	Lard	79,710	4.9	.04
5	Bluing	3,540	4.8	—
6	Laundry bar soap	4,870	4.8	—
7	Household ammonia	17,700	3.6	.01
8	Matches, Boxed	20,040	3.6	.01
9	Cigars	89,560	3.6	.04
10	Sandwich bags (paper)	6,530	3.4	—

*Excludes HBA —Less than .005%

THE 20 BIGGEST GAINERS IN VOLUME RANKED ACCORDING TO INCREASE IN DOLLAR VOLUME

RANK	ITEM	DEPARTMENT	'80-'79 SALES INCREASE (000)	% INCREASE	% OF STORE VOLUME
1	Beef	Meat	$1,533,320	8.9%	11.97%
2	Beer	Beverages	1,060,350	13.1	4.53
3	Fresh fruit	Produce	1,030,790	14.1	4.14
4	Fresh vegetables	Produce	831,070	7.2	6.11
5	Sugar	Sweeteners, Flavors	790,510	57.0	1.08
6	Cigarettes	Grocery	680,540	11.6	3.24
7	Fresh milk	Dairy	598,220	12.6	2.65
8	Bottled soft drinks	Beverages	592,300	19.4	1.80
9	White bread	Bakery	543,690	11.9	2.53
10	Cold cereals	Cereals	324,890	17.3	1.09
11	Housewares, other	Gen. merch.	310,290	14.6	1.21
12	Crackers, biscuits, cookies	Bakery	309,030	10.7	1.58
13	Fresh poultry	Meat	305,290	6.3	2.54
14	Cold cuts & other provisions	Meat	296,390	7.5	2.10
15	Natural cheese	Dairy	288,900	19.4	.88
16	Processed cheese	Dairy	260,570	13.9	1.06
17	Disposable diapers & liners	Household	243,100	20.2	.72
18	Fresh pork	Meat	236,350	6.4	1.94
19	Canned fish & other canned seafood	Canned foods	205,140	14.6	.79
20	Toilet paper	Household	194,810	11.6	.93

AND THE 10 BIGGEST LOSERS* — RANKED ACCORDING TO DECREASE IN DOLLAR VOLUME

RANK	ITEM	DECREASE FROM '79 SALES (000)	% DECREASE FROM 1979
1	Veal	$33,770	5.3%
2	Eggs (shell)	12,120	1.1
3	Jars	4,570	11.7
4	Lard	4,110	4.9
5	Semi-moist dog food	3,370	1.2
6	Cigars	3,340	3.6
7	Synthetic orange fruit drink (frozen)	2,340	5.7
8	Instant tea	2,070	1.4
9	Breakfast drinks	1,610	1.2
10	Matches, Boxed	750	3.6

*Excludes HBA

AND A FEW TURN-AROUND PRODUCTS* — ITEMS OF INTEREST THAT GAINED IN 1980 AFTER LOSING IN 1979 AND VICE VERSA

ITEM	GROCERY STORE SALES (ADD 000) 1980	1979	1978	% CHANGE IN SALES '80 vs '79	'79 vs '78
Coffee	$3,562,020	$3,415,170	$3,524,430	Up 4.3%	Down 3 1%
Packaged Molasses	3,310	3,280	3,340	Up 0.8	Down 1.8
Laundry Starch	105,940	99,330	101,920	Up 4.6	Down 6.7
Ready Whipped Cream	46,700	43,200	44,810	Up 8.1	Down 3.6
Cigars	89,560	92,900	87,640	Down 3.6	Up 6.0
Boxed Matches	20,040	20,790	20,340	Down 3.6	Up 2.2
Synthetic Orange Fruit Drink (frozen)	38,780	41,120	40,270	Down 5.7	Up 2.1
Frozen Asparagus	38,330	38,790	34,570	Down 1.2	Up 12.2

*Excludes HBA

...OUR METHODOLOGY

The data in our CES is based on consensus, rather than census. In other words, instead of asking any of our many respondents his or her own company's sales or shipments of a particular line of merchandise, our questionnaire asks respondents to indicate the percent change in the retail sales of all such merchandise for the period in question. And in order to make use of the percent changes reported by our respondents, we need the estimates for previous year's sales.

For most of the 1980 merchandise lines reported, 1979 estimates were already available from our 33rd annual CES. These estimates were used as benchmarks, and were updated to 1980 by applying the percent changes reported by our respondents.

These respondents comprise a group of leading manufacturers, packers, importers, bottlers, trade associations, marketing and management companies, advertising agencies, etc. Our questionnaires to those companies' executives asked, "What was the percent change (1980 vs. 1979) in retail sales of the following products, through all outlets, and through grocery stores alone?"

In those instances where replies covering a particular product category differed significantly, further questioning of the respondents was necessary.

It has been our experience that, for the most part, these differences turn up when some respondents reply in terms of tonnage or unit change, while others respond in terms of price or dollar change. Other differences occur when one marketer is reporting a particular company's sales, and another is reporting on industry-wide sales.

After reasons for the differences were determined and the replies adjusted accordingly, averages of the reported percent changes were calculated and applied to our estimates for 1979. The results represented our "preliminary" estimates for 1980.

And while all this was going on, a companion series of retail studies was being conducted. Our questionnaires to chain company executives, store managers and independent store owners asked, "Of your total store sales, what portion was accounted for by each of the following merchandise lines in 1980 and in 1979? The responses, from several thousand supermarkets and smaller grocery stores, enabled us to determine the grocery store sales of the surveyed product categories for this sample.

From this information, we were able to determine the percent change in grocery store sales of these categories for the two years in question. The averages of these percent changes were applied to the 1979 grocery store sales figures for another set of preliminary 1980 estimates. Final estimates were derived from these preliminaries.

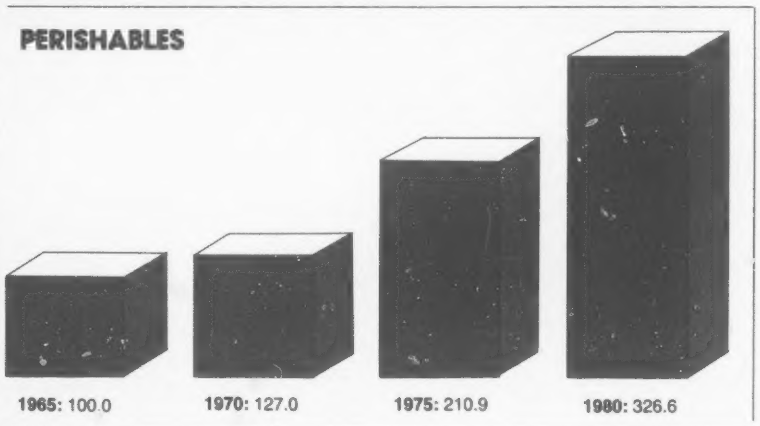
Of course, the methods just described serve only to explain how we were able to update our 1979 estimates. How did we arrive at the 1979 (or other benchmark) estimates?

Most of them were based on information provided by the Census of Manufacturers covering 1947, 1954, 1958, 1963, 1967, 1972 and 1977. The manufacturers' value of shipments reported by these Department of Commerce studies were converted to retail sales by our staff via a painstaking series of calculations. This was required for the exclusion of exports and industrial usage, the addition of imports, and examination of beginning, and end-year, inventories and margins and markups.

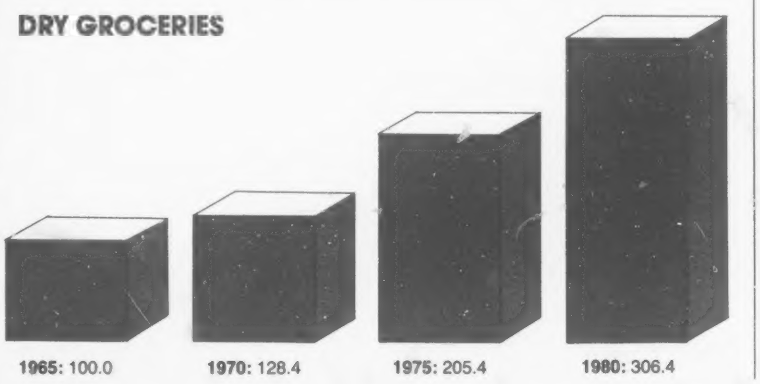
And in addition to this, we surveyed manufacturers, packers, etc., for their dollar estimates of the retail sales of specified products for a given year, through all outlets and through grocery stores alone. ■

INDEX OF GROCERY STORE SALES OF PERISHABLES AND DRY GROCERIES 1965-1980: 1965 = 100.0%

PERISHABLES



DRY GROCERIES



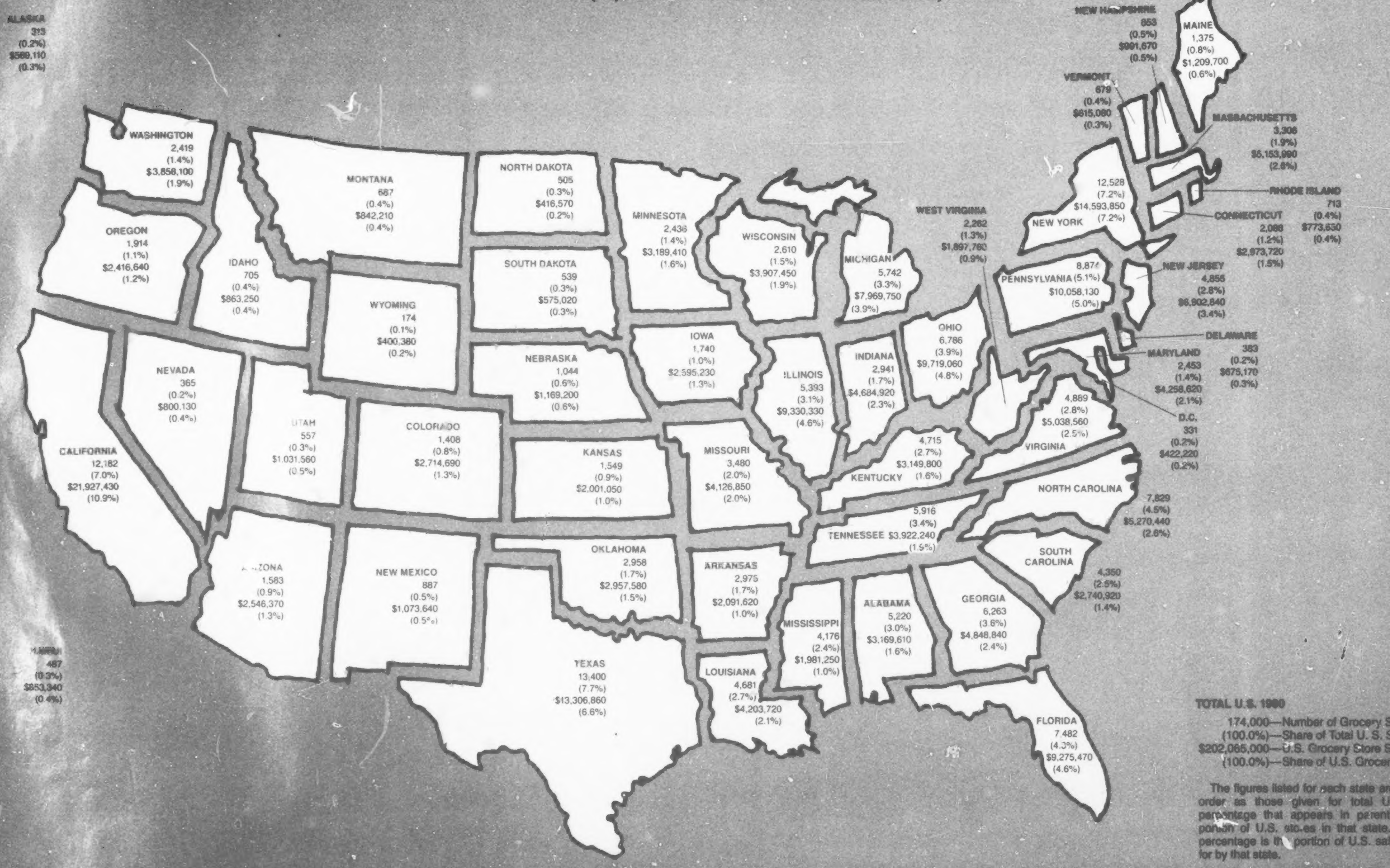
DISTRIBUTION OF GROCERY STORE FOOD* DOLLARS BY PRODUCT CATEGORY: 1980-1975-1970-1965

	1980	1975	1970	1965
PERISHABLES				
Baked Goods	7.85%	7.72%	7.92%	8.87%
Dairy Section	9.79	9.24	8.04	9.36
Frozen Foods	5.99	6.39	6.52	5.03
Meat, Fish, & Poultry	28.89	28.17	28.83	28.28
Produce	13.37	13.52	12.88	12.90
TOTAL PERISHABLES	65.89%	65.04%	64.19%	64.44%
DRY GROCERIES				
Baking Needs	.03%	.04%	.05%	.07%
Alcoholic Beverages	6.69	6.28	6.39	6.07
Prepared Beverages	4.37	3.89	4.03	4.08
Soft Drinks	3.35	3.13	2.83	2.56
Confectionery	1.34	1.37	1.41	1.34
Canned Foods	7.27	7.91	8.64	8.99
Cereals, Flour, Macaroni	3.39	3.63	3.26	3.57
Condiments, Dressings	2.12	2.21	2.12	2.29
Desserts	.17	.21	.24	.29
Dried Foods	1.50	1.53	1.36	1.42
Fats & Shortening	.84	1.08	1.71	1.79
Jams, Jellies & Preserves	.46	.52	.47	.54
Sweeteners, Flavors	1.63	2.14	1.30	1.53
All Other Foods*	.95	1.02	2.00	1.02
TOTAL DRY GROCERIES	34.11%	34.96%	35.81%	35.56%
TOTAL FOODS	100.00%	100.00%	100.00%	100.00%
GROCERY STORE SALES ($ MILLION)				
Perishables	$102,026	$ 65,876	$39,666	$31,241
Dry Groceries	52,816	35,411	22,131	17,236
TOTAL FOODS	$154,842	$101,287	$61,797	$48,477

*Edibles for human consumption.

SUPERMARKET BUSINESS MARKETING MAP OF U.S. GROCERY STORES—1980

(Projected from 1977 Census of Retail Trade, U.S.D.C.)


ALASKA 313 (0.2%) $569,110 (0.3%)
HAWAII 487 (0.3%) $853,340 (0.4%)
WASHINGTON 2,419 (1.4%) $3,858,100 (1.9%)
OREGON 1,914 (1.1%) $2,416,640 (1.2%)
CALIFORNIA 12,182 (7.0%) $21,927,430 (10.9%)
IDAHO 705 (0.4%) $863,250 (0.4%)
NEVADA 365 (0.2%) $800,130 (0.4%)
MONTANA 687 (0.4%) $842,210 (0.4%)
WYOMING 174 (0.1%) $400,380 (0.2%)
UTAH 557 (0.3%) $1,031,560 (0.5%)
ARIZONA 1,583 (0.9%) $2,546,370 (1.3%)
COLORADO 1,408 (0.8%) $2,714,690 (1.3%)
NEW MEXICO 887 (0.5%) $1,073,640 (0.5%)
NORTH DAKOTA 505 (0.3%) $416,570 (0.2%)
SOUTH DAKOTA 539 (0.3%) $575,020 (0.3%)
NEBRASKA 1,044 (0.6%) $1,169,200 (0.6%)
KANSAS 1,549 (0.9%) $2,001,050 (1.0%)
OKLAHOMA 2,958 (1.7%) $2,957,580 (1.5%)
TEXAS 13,400 (7.7%) $13,306,860 (6.6%)
MINNESOTA 2,436 (1.4%) $3,189,410 (1.6%)
IOWA 1,740 (1.0%) $2,595,230 (1.3%)
MISSOURI 3,480 (2.0%) $4,126,850 (2.0%)
ARKANSAS 2,975 (1.7%) $2,091,620 (1.0%)
LOUISIANA 4,681 (2.7%) $4,203,720 (2.1%)
WISCONSIN 2,610 (1.5%) $3,907,450 (1.9%)
ILLINOIS 5,393 (3.1%) $9,330,330 (4.6%)
MICHIGAN 5,742 (3.3%) $7,969,750 (3.9%)
INDIANA 2,941 (1.7%) $4,684,920 (2.3%)
OHIO 6,786 (3.9%) $9,719,060 (4.8%)
KENTUCKY 4,715 (2.7%) $3,149,800 (1.6%)
TENNESSEE 5,916 (3.4%) $3,922,240 (1.9%)
MISSISSIPPI 4,176 (2.4%) $1,981,250 (1.0%)
ALABAMA 5,220 (3.0%) $3,169,610 (1.6%)
GEORGIA 6,263 (3.6%) $4,848,840 (2.4%)
FLORIDA 7,482 (4.3%) $9,275,470 (4.6%)
SOUTH CAROLINA 4,350 (2.5%) $2,740,920 (1.4%)
NORTH CAROLINA 7,829 (4.5%) $5,270,440 (2.6%)
VIRGINIA 4,889 (2.8%) $5,038,560 (2.5%)
WEST VIRGINIA 2,262 (1.3%) $1,897,760 (0.9%)
D.C. 331 (0.2%) $422,220 (0.2%)
MARYLAND 2,453 (1.4%) $4,258,620 (2.1%)
DELAWARE 383 (0.2%) $675,170 (0.3%)
PENNSYLVANIA 8,874 (5.1%) $10,058,130 (5.0%)
NEW JERSEY 4,855 (2.8%) $6,902,840 (3.4%)
NEW YORK 12,528 (7.2%) $14,593,850 (7.2%)
CONNECTICUT 2,088 (1.2%) $2,973,720 (1.5%)
RHODE ISLAND 713 (0.4%) $773,630 (0.4%)
MASSACHUSETTS 3,306 (1.9%) $5,153,990 (2.6%)
VERMONT 679 (0.4%) $615,080 (0.3%)
NEW HAMPSHIRE 853 (0.5%) $991,670 (0.5%)
MAINE 1,375 (0.8%) $1,209,700 (0.6%)

TOTAL U.S. 1980

174,000—Number of Grocery Stores
(100.0%)—Share of Total U. S. Stores
$202,065,000—U.S. Grocery Store Sales (000)
(100.0%)—Share of U.S. Grocery Store Sales

The figures listed for each state are in the same order as those given for total U.S. The first percentage that appears in parentheses is the portion of U.S. stores in that state. The second percentage is the portion of U.S. sales accounted for by that state.

WHAT CONSUMERS SPEND FOR PERISHABLE PRODUCTS

(add 000 to all dollar figures)	1980					1979					percentage change			
PRODUCTS	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	From '79 to '80 Total[3]	From '79 to '80 Gro.[3]	From '78 to '79 Total[3]	From '78 to '79 Gro.[3]
PERISHABLES														
Baked Goods[3A]	**$ 20,653,090**	**$ 12,154,750**	**7.85**	**6.01**	**59**	**$ 18,651,040**	**$ 10,873,760**	**7.75**	**5.96**	**58**	**10.7**	**11.8**	**9.6**	**10.4**
Bread & Rolls[3A]	$ 10,449,010	$ 6,384,680	4.12	3.16	61	$ 9,373,680	$ 5,690,810	4.06	3.12	61	11.5	12.2	10.6	11.7
White Bread	7,024,570	5,112,550	3.30	2.53	73	6,294,420	4,568,860	3.26	2.50	73	11.6	11.9	10.1	11.2
Other Bread	2,126,260	910,630	.59	.45	43	1,884,980	802,320	.57	.44	43	12.8	13.5	12.6	14.3
Rolls, Bread Type[3B]	1,298,180	361,500	.23	.18	28	1,194,280	319,630	.23	.18	27	8.7	13.1	9.9	12.4
Crackers, Cookies, Other Tidbits	$ 6,271,140	$ 4,745,040	3.07	2.35	76	$ 5,710,630	$ 4,269,180	3.04	2.34	75	9.8	11.1	8.9	8.8
Crackers, Biscuits, Cookies	3,553,700	3,197,150	2.06	1.58	90	3,227,700	2,888,120	2.06	1.58	89	10.1	10.7	7.3	7.3
Packaged Unpopped Popcorn[3C]	84,180	73,710	.05	.04	88	71,580	62,410	.04	.04	87	17.6	18.1	12.3	12.2
Potato Chips	2,351,100	1,233,080	.80	.61	52	2,151,110	1,097,050	.78	.60	51	9.3	12.4	11.5	13.1
Pretzels	282,100	241,100	.16	.12	85	260,240	221,600	.16	.12	85	8.4	8.8	7.4	7.4
Sweet Goods	$ 3,932,940	$ 1,025,030	.66	.51	26	$ 3,566,730	$ 913,770	.65	.50	26	10.3	12.2	8.4	10.4
Cakes & Other Pastry	2,406,940	574,280	.37	.29	24	2,173,960	515,320	.37	.28	24	10.7	11.4	7.6	8.0
"Toaster" Pastries	71,480	66,350	.04	.04	93	71,840	66,620	.05	.04	93	−0.5	−0.4	2.4	1.0
Other Cakes & Pastry	2,335,460	507,930	.33	.25	22	2,102,120	448,700	.32	.24	21	11.1	13.2	7.8	9.1
Doughnuts	962,780	328,960	.21	.16	34	886,100	293,190	.21	.16	33	8.7	12.2	9.8	13.3
Pies	563,220	121,790	.08	.06	22	506,670	105,260	.07	.06	21	11.2	15.7	9.2	14.4
Dairy Section	**$ 30,288,150**	**$ 15,150,920**	**9.79**	**7.50**	**50**	**$ 28,068,310**	**$ 13,583,850**	**9.68**	**7.45**	**48**	**7.9**	**11.5**	**8.6**	**11.7**
Cheese	$ 5,282,440	$ 4,365,750	2.82	2.16	83	$ 4,770,220	$ 3,812,240	2.72	2.09	80	10.7	14.5	9.9	13.3
Cottage & Pot Cheese	642,820	452,520	.29	.22	70	637,720	448,480	.32	.24	70	0.8	0.9	6.7	6.7
Natural Cheese[4]	2,384,320	1,778,060	1.15	.88	75	2,097,030	1,489,160	1.06	.82	71	13.7	19.4	12.5	18.8
Processed Cheese[5]	2,255,300	2,135,170	1.38	1.06	95	2,035,470	1,874,600	1.34	1.03	92	10.8	13.9	8.3	11.0
Eggs (Shell)	$ 3,466,480	$ 1,089,720	.70	.54	31	$ 3,512,140	$ 1,101,840	.79	.60	31	−1.3	−1.1	9.1	10.4
Milk, Butter, Cream	$ 17,722,800	$ 6,470,170	4.18	3.20	36	$ 16,332,490	$ 5,769,830	4.11	3.16	35	8.5	12.1	8.0	11.8
Butter	1,706,030	845,280	.55	.42	49	1,545,320	760,830	.54	.42	49	10.4	11.1	8.9	9.6
Fresh Cream	416,210	232,180	.15	.11	56	391,910	218,010	.16	.12	56	6.2	6.5	1.4	3.7
Fresh Milk	15,548,660	5,346,010	3.45	2.65	34	14,346,890	4,747,790	3.38	2.60	33	8.4	12.6	8.1	12.7
For Home Consumption	9,612,180	5,346,010	3.45	2.65	34	8,762,240	4,747,790	3.38	2.60	33	9.7	12.6	9.5	12.7
Other	5,936,480					5,584,650					6.3		6.1	
Ready Whipped Cream[6]	51,900	46,700	.03	.02	90	48,370	43,200	.03	.02	89	7.3	8.1	−2.4	−3.6
Yogurt	$ 1,069,650	$ 867,910	.56	.43	81	$ 965,390	$ 777,700	.55	.43	81	10.8	11.6	13.2	13.8
Margarine	$ 1,755,130	$ 1,436,310	.93	.71	82	$ 1,689,250	$ 1,379,740	.98	.76	82	3.9	4.1	6.1	6.1
Fruit Juices, Drinks[6A]	$ 991,650	$ 921,060	.60	.46	93	$ 798,820	$ 742,500	.53	.41	93	24.1	24.0	16.2	14.9
Orange Juice	885,370	822,730	.53	.41	93	703,790	654,520	.47	.36	93	25.8	25.7	18.3	16.6
Orange Flavored Drinks	73,700	68,470	.05	.03	93	67,490	62,760	.04	.04	93	9.2	9.1	8.4	8.4
Other Fruit Drinks, Juices	32,580	29,860	.02	.02	92	27,540	25,220	.02	.01	92	18.3	18.4	4.1	4.0
Frozen Foods[6B]	**$ 12,805,290**	**$ 9,276,110**	**5.99**	**4.59**	**72**	**$ 11,597,850**	**$ 8,400,110**	**5.98**	**4.61**	**72**	**10.4**	**10.4**	**8.6**	**7.9**
Frozen Baked Goods[6B]	$ 723,360	$ 648,450	.42	.32	90	$ 674,270	$ 604,280	.43	.33	90	7.3	7.3	13.3	9.6
Cakes, Pastries	438,120	399,250	.26	.20	91	410,160	374,180	.27	.20	91	6.7	6.7	14.6	10.2
Pies	285,240	249,200	.16	.12	87	264,110	230,100	.16	.13	87	8.0	8.3	11.4	8.7
Ice Cream[7]	$ 3,236,050	$ 1,085,090	.70	.54	33	$ 2,896,700	$ 961,960	.69	.53	33	11.7	12.8	8.6	9.1
Bulk	510,270	—	—	—	—	450,790	—	—	—	—	13.2	—	6.6	—
Packaged	1,853,290	1,085,090	.70	.54	40	1,687,880	961,960	.69	.53	39	9.8	12.8	8.9	9.1
Specialties	872,490					758,030					15.1		9.2	
Frozen Toppings[7A]	$ 146,570	$ 131,360	.08	.07	90	$ 135,210	$ 120,850	.09	.07	89	8.4	8.7	2.9	2.8
Frozen Meat, Fish, Poultry	$ 2,540,990	$ 2,038,310	1.32	1.01	80	$ 2,361,040	$ 1,896,300	1.35	1.04	80	7.6	7.5	9.3	8.5
Fish & Other Seafood	703,890	510,940	.33	.25	73	641,710	464,600	.33	.25	72	9.7	10.0	11.7	12.1
Fish Sticks	98,620	74,850	.05	.04	76	91,230	69,110	.05	.04	76	8.1	8.3	7.3	7.3
Frozen Shrimp	148,190	113,570	.07	.06	77	132,670	101,490	.07	.05	76	11.7	11.9	11.2	11.3
Other Frozen Fish & Seafood	457,080	322,520	.21	.16	71	417,810	294,000	.21	.16	70	9.4	9.7	12.9	13.5
Meat	454,250	216,180	.14	.11	47	415,980	197,060	.14	.11	47	9.2	9.7	8.6	9.1
Poultry	1,382,850	1,311,190	.85	.65	95	1,303,350	1,234,640	.88	.68	95	6.1	6.2	8.4	7.2
Frozen Prepared Foods (Precooked)[8]	$ 3,090,380	$ 2,891,700	1.87	1.43	94	$ 2,751,300	$ 2,575,440	1.83	1.41	94	12.3	12.3	8.8	7.9
Dinners	955,150	903,120	.58	.45	95	859,720	812,890	.58	.44	95	11.1	11.1	6.2	6.0
Meat Pies	191,010	172,860	.11	.08	90	180,030	163,230	.12	.09	91	6.1	5.9	7.3	5.1
Poultry Pies	173,810	155,430	.10	.08	89	164,590	147,330	.10	.08	90	5.6	5.5	7.4	4.9
Pizza	948,380	888,240	.57	.44	94	818,980	768,370	.55	.42	94	15.8	15.6	11.1	10.3
Nationality Foods	289,100	269,610	.18	.13	93	244,380	228,100	.16	.13	93	18.3	18.2	13.2	11.1
All Other[8]	532,930	502,440	.33	.25	94	483,600	455,520	.32	.25	94	10.2	10.3	8.7	3.1

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[1] All consumption—whether at farm level or by institutions, restaurants, government—is given here in terms of retail store valuation (except as otherwise noted). Excluded are those portions of a commodity which are used commercially in making some other products.

[2] Refers to grocery stores and includes supermarkets. Excluded from this column (but included in the first column) are sales by such specialty food stores as delicatessens, dairy stores, bakeries, meat markets, fish markets, confectionery stores, fruit and vegetable markets, egg dealers.

[3] Decreases are shown by minus signs. Other figures represent increases.

[3A] Includes frozen bread and rolls, but excludes cakes, pastries, pies.

[3B] Includes bagels, onion rolls. [3C] Excludes "ready to eat" popcorn.

[4] Includes cheddar, colby, brick, cream, foreign types.

[5] Includes cheese food and cheese spreads.

[6] Aerosol packed consumer sizes. Butterfat and non-butterfat bases. Excludes powders.

[6A] In carton, bottle or plastic. [6B] Excludes frozen bread and rolls.

[7] Grocery store sales are mainly packaged ice cream and specialties and a negligible amount of bulk ice cream.

[7A] Includes "chilled" products. [8] Includes frozen soups.

SPENDING FOR PERISHABLES —— continued

(add 000 to all dollar figures)	1980					1979					percentage change			
PRODUCTS	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	From '79 to '80 Total[3]	From '79 to '80 Gro.[3]	From '78 to '79 Total[3]	From '78 to '79 Gro.[3]
Frozen Vegetables, Fruits, Juices, Drinks[8A]	$ 3,067,940	$ 2,481,200	1.60	1.23	81	$ 2,779,330	$ 2,241,280	1.59	1.23	81	10.4	10.7	6.8	6.8
Fruits	126,030	115,670	.08	.06	92	117,190	107,710	.08	.06	92	7.5	7.4	6.5	5.9
Strawberries	48,240	44,840	.03	.02	93	43,620	40,580	.03	.02	93	10.6	10.5	8.4	7.3
Cherries	15,770	14,190	.01	.01	90	14,910	13,420	.01	.01	90	5.8	5.7	6.2	6.2
Apples & Applesauce	12,630	11,590	.01	.01	92	12,370	11,370	.01	.01	92	2.1	1.9	1.4	0.8
All Other	49,390	45,050	.03	.02	91	46,290	42,340	.03	.02	91	6.7	6.4	6.2	6.0
Fruit Juices	1,275,480	1,145,360	.74	.57	90	1,135,560	1,018,020	.72	.56	90	12.3	12.5	6.7	6.7
Orange Juice Concentrates	1,172,890	1,051,090	.68	.52	90	1,042,560	932,640	.66	.51	89	12.5	12.7	6.8	6.8
Grapefruit Juice	21,210	18,640	.01	.01	88	18,750	16,440	.01	.01	88	13.1	13.4	7.3	7.1
Other Fruit Concentrates	81,380	75,630	.05	.04	93	74,250	68,940	.05	.04	93	9.6	9.7	5.2	5.0
Fruit Drinks	143,150	130,060	.08	.07	91	139,200	126,560	.09	.07	91	2.8	2.8	5.2	5.1
Synthetic Orange[9]	42,440	38,780	.03	.02	91	44,960	41,120	.03	.02	91	-5.6	-5.7	2.6	2.1
Regular Orange	14,490	13,040	.01	01	90	14,830	13,310	.01	.01	90	-2.3	-2.0	0.1	0.1
Lemonade Bases	46,710	41,870	.03	.02	90	42,620	38,270	.03	.02	90	9.6	9.4	8.9	8.9
Other Fruit Drinks	39,510	36,370	.02	.02	92	36,790	33,860	.02	.02	92	7.4	7.4	6.6	6.6
Vegetables	1,523,280	1,090,110	.70	.53	72	1,387,380	988,990	.70	.54	71	9.8	10.2	7.1	7.2
Asparagus	55,840	38,330	.02	.02	69	56,570	38,790	.03	.02	69	-1.3	-1.2	11.1	12.2
Green Beans	73,960	51,430	.03	.03	69	70,300	47,930	.03	.03	68	5.2	7.3	7.9	8.1
Lima Beans	41,390	26,540	.02	.01	64	38,750	24,780	.02	.02	64	6.8	7.1	6.2	6.8
Broccoli	93,240	64,700	.04	.03	69	83,580	57,920	.04	.03	69	11.2	11.7	7.7	7.9
Cauliflower	34,810	24,220	.02	.01	70	32,930	22,590	.01	.01	69	5.7	7.2	7.4	8.1
Green Peas	94,670	65,280	.04	.03	69	87,090	59,940	.04	.03	69	8.7	8.9	5.7	6.1
Spinach	45,950	32,130	.02	.02	70	41,660	29,050	.02	.02	70	10.3	10.6	7.2	7.2
French Fried Potatoes	550,260	433,950	.28	.21	79	493,510	388,150	.28	.21	79	11.5	11.8	6.3	6.4
Other Potato Products	80,050	57,090	.04	.03	71	75,310	53,660	.04	.03	71	6.3	6.4	5.1	5.1
Corn	99,780	67,360	.04	.03	67	89,650	60,360	.04	.03	67	11.3	11.6	4.8	4.8
All Other	353,330	229,080	.15	.11	65	318,030	205,820	.15	.11	65	11.1	11.3	8.9	9.1
Fresh & Cured Meat, Fish, Poultry	**$ 65,264,230**	**$ 44,739,600**	**28.89**	22.14	69	**$ 61,773,820**	**$ 41,645,200**	**29.67**	**22.83**	67	5.7	7.4	13.8	13.7
Fresh Fish & Other Fresh Seafood	$ 1,894,880	$ 1,711,970	1.10	.85	90	$ 1,694,340	$ 1,524,460	1.09	.83	90	12.5	12.3	16.2	15.0
Fresh Meat	$ 38,998,370	$ 24,193,040	15.63	11.97	62	$ 36,906,180	$ 22,335,870	15.91	12.25	61	5.7	8.3	15.8	16.2
Beef	31,154,110	18,761,620	12.12	9.29	60	29,362,970	17,228,300	12.28	9.45	59	6.1	8.9	16.9	17.4
Lamb	985,840	898,640	.58	.44	91	852,070	777,370	.55	.43	91	15.7	15.6	16.1	16.0
Pork	5,876,850	3,929,330	2.54	1.94	67	5,618,390	3,692,980	2.63	2.02	66	4.6	6.4	15.7	16.1
Veal	981,570	603,450	.39	.30	61	1,072,750	637,220	.45	.35	59	-8.5	-5.3	-8.6	-8.0
Poultry	$ 7,616,580	$ 5,151,080	3.33	2.54	68	$ 7,219,510	$ 4,845,790	3.45	2.66	67	5.5	6.3	13.3	14.5
Provisions	$ 16,754,400	$ 13,683,510	8.84	6.77	82	$ 15,953,790	$ 12,939,080	9.22	7.09	81	5.0	5.8	9.5	9.6
Packaged Bacon	2,368,610	2,000,560	1.29	.99	84	2,268,780	1,916,240	1.37	1.05	84	4.4	4.4	-6.8	-6.8
Cured Ham & Picnics	2,860,350	2,322,770	1.50	1.15	81	2,766,300	2,237,740	1.59	1.23	81	3.4	3.8	10.1	10.3
Frankfurters	1,818,250	1,478,400	.96	.73	81	1,753,370	1,424,280	1.01	.78	81	3.7	3.8	15.3	15.4
Sausages	1,253,860	1,013,820	.66	.50	81	1,205,630	972,020	.69	.53	81	4.0	4.3	16.1	16.0
Other Sausage Products	3,220,120	2,619,680	1.69	1.30	81	2,989,900	2,436,910	1.74	1.33	82	7.7	7.5	13.1	13.6
Cold Cuts & Other Provisions	5,233,210	4,248,280	2.74	2.10	81	4,969,810	3,951,890	2.82	2.17	80	5.3	7.5	12.5	12.7
Produce	**$ 27,878,940**	**$ 20,704,150**	**13.37**	**10.25**	74	**$ 25,533,040**	**$ 18,842,290**	**13.42**	**10.33**	74	9.2	9.9	6.7	7.2
Potatoes	2,668,200	1,771,200	1.14	.87	66	2,206,950	1,462,590	1.04	.80	66	20.9	21.1	-2.9	-2.5
Lettuce	1,962,430	1,376,300	.89	.68	70	1,931,530	1,357,300	.97	.75	70	1.6	1.4	3.5	3.9
Tomatoes	1,939,930	1,248,490	.80	.62	64	1,835,320	1,178,930	.84	.65	64	5.7	5.9	8.7	9.1
Onions	795,620	498,350	.32	.25	63	716,130	447,750	.32	.25	63	11.1	11.3	6.4	7.3
Celery	472,460	326,930	.21	.16	69	451,680	312,250	.22	.17	69	4.6	4.7	5.0	5.2
Corn	423,230	255,600	.17	.13	60	394,800	237,990	.17	.13	60	7.2	7.4	6.7	7.2
Other Fresh Vegetables	10,362,180	6,869,370	4.44	3.40	66	9,875,270	6,518,360	4.64	3.57	66	4.9	5.4	3.8	4.1
Bananas	1,423,460	1,294,580	.84	.64	91	1,241,030	1,130,640	.81	.62	91	14.7	14.5	12.9	10.6
Citrus Fruits	1,982,830	1,815,950	1.17	.90	92	1,842,780	1,684,550	1.20	.92	91	7.6	7.8	9.8	9.1
Other Fresh Fruits	5,848,600	5,247,380	3.39	2.60	90	5,037,550	4,511,930	3.21	2.47	90	16.1	16.3	15.9	14.8
Total Perishables	**$156,889,700**	**$102,025,530**	**65.89**	**50.49**	**65**	**$145,624,060**	**$ 93,345,210**	**66.50**	**51.18**	**64**	7.7	9.3	10.5	11.1

WHAT CONSUMERS SPEND FOR DRY GROCERIES

PRODUCTS	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	From '79 to '80 Total[3]	From '79 to '80 Gro.[3]	From '78 to '79 Total[3]	From '78 to '79 Gro.[3]
DRY GROCERIES														
Baking Needs	$ 61,740	$ 55,170	.03	.03	89	$ 58,760	$ 52,440	.04	.03	89	5.1	5.2	3.1	3.9
Baking Chocolate (unsweetened)	17,580	16,260	.01	.01	92	16,710	15,430	.01	.01	92	5.2	5.4	3.7	3.3
Baking Powder	18,390	16,360	.01	.01	89	17,630	15,670	.01	.01	89	4.3	4.4	2.7	2.7
Baking Soda	12,010	9,890	*	*	82	11,270	9,230	.01	*	82	6.6	7.1	8.3	8.5
Yeast[10]	13,760	12,660	.01	.01	92	13,150	12,110	.01	.01	92	4.6	4.5	3.1	3.0
Beverages														
Alcoholic[11]	$ 29,082,290	$ 10,353,490	6.69	5.12	36	$ 26,119,580	$ 9,132,770	6.51	5.01	35	11.3	13.4	8.4	10.7
Beer	14,696,810	9,154,650	5.91	4.53	62	13,088,920	8,094,300	5.77	4.44	62	12.3	13.1	11.0	10.5
Bottled, Canned beer for home and other off- premises consumption	9,973,980	9,154,650	5.91	4.53	92	8,818,730	8,094,300	5.77	4.44	92	13.1	13.1	10.8	10.5
Draft beer, bottled, canned beer for on-premises consumption	4,722,830	—	—	—	—	4,270,190	—	—	—	—	10.6	—	9.4	—
Liquor	11,261,290	270,650	.18	.13	2	10,369,510	247,850	.18	.14	2	8.6	9.2	5.2	6.8
Wine	3,124,190	928,190	.60	.46	30	2,661,150	790,620	.56	.43	30	17.4	17.4	12.4	14.2

[8A] Consumer size packages for home use.

[9] Excludes powdered synthetic orange.

[10] Consumer size packages. Active dry yeast. Excludes compressed.

[11] Spending in all outlets includes restaurant and other on-premises.

* Less than .005%.

SPENDING FOR DRY GROCERIES—continued

(add 000 to all dollar figures) PRODUCTS	1980					1979					percentage change			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	From '79 to '80		From '78 to '79	
											Total[3]	Gro.[3]	Total[3]	Gro.[3]
Prepared Beverages	$ 8,806,680	$ 6,771,820	4.37	3.35	77	$ 8,500,780	$ 6,537,840	4.66	3.58	77	3.6	3.6	−1.3	−1.5
Cocoa	32,530	23,580	.02	.01	72	30,430	22,000	.02	.01	72	6.9	7.2	3.8	3.8
Coffee	5,295,170	3,562,020	2.30	1.76	67	5,086,620	3,415,170	2.43	1.87	67	4.1	4.3	−3.6	−3.1
Coffee (instant)	1,965,830	1,828,890	1.18	.91	93	1,940,600	1,808,190	1.29	.99	93	1.3	1.2	−2.1	−2.7
Prepared (sweetened) Cocoa	250,190	223,790	.14	.11	89	229,950	205,120	.15	.11	89	8.8	9.1	4.2	4.2
Prepared Food Drinks[12]	120,090	101,990	.07	.05	85	115,920	97,970	.07	.06	85	3.6	4.1	7.3	7.0
Tea	787,480	708,510	.46	.35	90	747,580	673,220	.48	.37	90	5.3	5.2	4.4	4.2
Instant tea	159,860	145,510	.09	.07	91	162,460	147,580	.10	.08	91	−1.6	−1.4	3.3	3.3
Ice tea mixes	241,920	219,830	.14	.11	91	213,900	194,710	.14	.11	91	13.1	12.9	8.9	8.1
Bags and loose tea	385,700	343,170	.22	.17	89	371,220	330,930	.24	.18	89	3.9	3.7	2.5	2.5
Breakfast drinks	142,730	132,250	.08	.07	93	144,610	133,860	.10	.07	93	−1.3	−1.2	1.7	1.7
Coffee Creamers	212,660	189,790	.12	.09	89	205,070	182,310	.13	.10	89	3.7	4.1	8.4	7.3
Soft Drinks	$ 8,957,550	$ 5,194,730	3.35	2.57	58	$ 7,558,350	$4,395,260	3.13	2.41	58	18.5	18.2	7.7	8.2
Bottled Soft Drinks	7,295,160	3,640,630	2.35	1.80	50	6,117,590	3,048,330	2.17	1.67	50	19.2	19.4	7.3	7.9
Dietetic	541,230	424,560	.27	.21	78	465,770	363,800	.26	.20	78	16.2	16.7	8.3	9.1
Other	6,753,930	3,216,070	2.08	1.59	48	5,651,820	2,684,530	1.91	1.47	48	19.5	19.8	7.2	7.7
Canned Soft Drinks	1,211,170	1,134,840	.73	.56	94	1,036,440	971,590	.69	.53	94	16.9	16.8	11.6	10.7
Dietetic	442,600	401,060	.26	.20	91	386,210	350,270	.25	.19	91	14.6	14.5	14.6	13.8
Other	768,570	733,780	.47	.36	95	650,230	621,320	.44	.34	96	18.2	18.1	9.9	9.1
Powdered Soft Drinks[12A]	451,220	419,260	.27	.21	93	404,320	375,340	.26	.21	93	11.6	11.7	4.9	4.5
Candy & Chewing Gum	$ 6,852,980	$ 2,074,250	1.34	1.03	30	$ 6,349,430	$ 1,895,550	1.35	1.04	30	7.9	9.4	6.5	8.7
Bar Candy	2,306,120	727,710	.47	.36	32	2,094,570	653,830	.47	.36	31	10.1	11.3	2.7	6.6
Boxed Candy	2,088,430	387,120	.25	.19	18	1,946,350	355,810	.25	.19	18	7.3	8.8	7.8	8.8
Bulk Candy	508,000	290,570	.19	.14	57	460,980	255,110	.18	.14	55	10.2	13.9	10.1	14.2
Chewing Gum	1,141,920	274,930	.18	.14	24	1,060,280	247,240	.18	.14	23	7.7	11.2	9.1	9.1
Other Candy	808,510	393,920	.25	.20	49	787,250	383,560	.27	.21	49	2.7	2.7	8.7	8.7
Canned Foods[13]	$ 13,481,490	$ 11,250,730	7.27	5.57	83	$12,299,380	$10,234,310	7.29	5.61	83	9.6	9.9	8.2	8.1
Baby Foods[13]	$ 1,238,690	$ 1,056,920	.68	.52	85	$ 1,078,290	$ 909,210	.65	.50	84	14.9	16.2	10.0	10.3
Custards & Puddings	39,720	693,860	.45	.34	92	37,440	623,970	.44	.34	91	6.1	11.2	5.3	10.3
Fruits	227,540					210,100					8.3		6.9	
Meat & Combinations	351,140					312,960					12.2		14.4	
Vegetables	135,460					123,590					9.6		7.3	
Hypoallergenic Formulas[13A]	100,740	68,390	.04	.03	68	80,660	51,930	.04	.03	64	24.9	31.7	8.6	11.3
Routine Infant Formulas	384,090	294,670	.19	.15	77	313,540	233,310	.17	.13	74	22.5	26.3	9.9	10.1
Canned Fish & Other Canned Seafood	$ 2,085,970	$ 1,610,230	1.04	.79	77	$ 1,828,680	$ 1,405,090	1.00	.77	77	14.1	14.6	12.2	13.0
Salmon	574,990	1,610,230	1.04	.79	77	499,120	1,405,090	1.00	.77	77	15.2	14.6	13.7	13.0
Sardines	85,940					80,540					6.7		6.4	
Tuna	1,096,060					954,760					14.8		12.3	
Other Canned Fish & Canned Seafood	328,980					294,260					11.8		11.2	
Canned Fruits	$ 1,696,600	$ 1,447,170	.94	.72	85	$ 1,596,380	$ 1,355,890	.97	.74	85	6.3	6.7	5.0	5.0
Citrus[14]	57,700	50,420	.03	.02	87	54,850	47,750	.03	.03	87	5.2	5.6	8.9	8.9
Pineapple	204,050	173,920	.11	.09	85	193,780	164,540	.12	.09	85	5.3	5.7	8.3	8.3
Applesauce	211,090	182,020	.12	.09	86	197,460	169,790	.12	.09	86	6.9	7.2	6.5	6.6
Fruit Cocktail	244,240	207,580	.13	.10	85	223,660	189,400	.14	.10	85	9.2	9.6	5.3	5.3
Peaches	318,830	271,500	.18	.14	85	305,980	259,560	.19	.14	85	4.2	4.6	1.7	1.7
Pears	163,280	137,850	.09	.07	84	153,600	129,070	.09	.07	84	6.3	6.8	3.0	3.1
All Other	497,410	423,880	.28	.21	85	467,050	395,780	.28	.22	85	6.5	7.1	5.4	5.4
Canned Juices	$ 918,210	$ 758,700	.49	.38	83	$ 870,710	$ 718,630	.51	.39	83	5.5	5.6	7.3	7.3
Orange[15]	124,290	95,610	.06	.05	77	117,920	90,800	.06	.05	77	5.4	5.3	7.0	6.9
Grapefruit[15]	184,070	150,630	.10	.08	82	178,170	146,100	.10	.08	82	3.0	3.1	9.4	9.4
Other Fruit Juices[15]	342,590	285,230	.18	.14	83	327,840	272,690	.19	.15	83	4.5	4.6	4.8	4.8
Vegetable Juices[16]	267,260	227,230	.15	.11	85	246,780	209,040	.15	.11	85	8.3	8.7	9.1	9.1
Canned Fruit Drinks	$ 402,810	$ 338,110	.22	.17	84	$ 370,750	$ 310,760	.22	.17	84	8.7	8.8	9.6	9.6
Canned Meat	$ 2,472,860	$ 1,903,010	1.23	.94	77	$ 2,243,970	$ 1,720,620	1.23	.94	77	10.2	10.6	8.9	8.9
Canned Milk	$ 434,510	$ 374,470	.24	.19	86	$ 403,430	$ 346,630	.25	.19	86	7.7	8.0	5.3	5.0
Condensed Milk	25,970	16,160	.01	.01	62	24,450	15,170	.01	.01	62	6.2	6.5	4.1	4.9
Evaporated Milk	408,540	358,310	.23	.18	88	378,980	331,460	.24	.18	87	7.8	8.1	5.4	5.0
Canned Poultry	$ 103,080	$ 93,570	.06	.04	91	$ 83,060	$ 75,580	.05	.04	91	24.1	23.8	8.3	8.0
Canned Soups[17]	$ 1,272,090	$ 1,174,690	.76	.59	92	$ 1,130,750	$ 1,043,240	.74	.57	92	12.5	12.6	7.7	6.9
Canned Vegetables	$ 2,856,670	$ 2,493,860	1.61	1.23	87	$ 2,693,360	$ 2,348,660	1.67	1.30	87	6.1	6.2	6.9	6.7
Beans with Pork or Sauce[18]	392,710	354,060	.23	.17	90	366,670	330,280	.23	.18	90	7.1	7.2	7.3	7.0
Asparagus	195,430	166,340	.11	.08	85	193,300	164,200	.12	.09	85	1.1	1.3	12.4	11.6
Beans (wax and green)	275,340	242,990	.16	.12	88	250,990	221,500	.16	.12	88	9.7	9.7	6.1	6.1
Corn	538,940	469,780	.30	.23	87	511,810	445,290	.32	.25	87	5.3	5.5	7.4	7.4
Peas	333,020	294,330	.19	.15	88	309,790	273,290	.19	.15	88	7.5	7.7	5.3	5.0
Tomatoes	328,280	278,160	.18	.14	85	314,140	266,690	.19	.15	85	4.5	4.3	9.7	9.5
All Other	792,950	688,200	.44	.34	87	746,660	647,410	.46	.36	87	6.2	6.3	4.8	4.8

[12] Includes chocolate syrup drinks, malted milk items, and other items but excludes chocolate syrup.

[12A] Excludes "Breakfast drinks" listed separately above.

[13] Includes glass packs. Infant formulas also listed under HBA, Infant cereals, under Cereals.

[13A] Includes soya isolate formulas.

[14] Canned or chilled citrus sections.

[15] Full strength and concentrated juices in can. Non-carbonated canned fruit flavored drinks listed separately below.

[16] Chiefly tomato juice.

[17] Excludes frozen soups.

[18] Includes baked beans.

SPENDING FOR DRY GROCERIES——continued

(add 000 to all dollar figures) PRODUCTS	1980					1979					percentage change			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	From '79 to '80 Total[3]	From '79 to '80 Gro.[3]	From '78 to '79 Total[3]	From '78 to '79 Gro.[3]
Cereals, Flour & Macaroni	**$5,992,990**	**$5,241,810**	**3.39**	**2.59**	**87**	**$5,272,440**	**$4,588,100**	**3.27**	**2.52**	**87**	13.7	14.2	9.4	8.4
Cereals	$2,923,700	$2,684,860	1.73	1.33	92	$2,522,230	$2,304,900	1.64	1.26	91	15.9	16.5	10.5	9.0
Cold Cereals	2,365,390	2,202,870	1.42	1.09	93	2,023,430	1,877,960	1.34	1.03	93	16.9	17.3	11.7	9.8
Corn Meal, Hominy Grits	212,240	176,690	.11	.09	83	192,420	157,200	.11	.08	82	10.3	12.4	3.7	3.7
Hot Cereals	285,980	250,440	.16	.12	88	253,530	221,430	16	.12	87	12.8	13.1	7.2	7.2
Infant Cereals	60,090	54,860	.04	.03	91	52,850	48,290	.03	.03	91	13.7	13.6	5.7	5.2
Rice	$ 488,690	$ 397,300	.26	.20	81	$ 421,650	$ 341,320	.25	.19	81	15.9	16.4	9.2	6.3
Flour	$1,564,920	$1,400,220	.91	.69	89	$1,387,640	$1,239,030	.88	.68	89	12.8	13.0	9.4	8.6
Cake Flour	10,510	9,220	.01	*	88	9,970	8,740	.01	*	88	5.4	5.5	6.4	6.4
Family Flour	622,640	499,180	.32	.25	80	561,440	449,710	.32	.25	80	10.9	11.0	8.2	8.4
Pancake Flour	42,490	38,920	.03	.02	92	39,820	36,340	.02	.02	91	6.7	7.1	4.9	3.1
Prepared Mixes	889,280	852,900	.55	.42	96	776,410	744,240	.53	.41	96	14.5	14.6	10.7	9.1
Cake Mixes	513,400	852,900	.55	.42	96	449,960	744,240	.53	.41	96	14.1	14.6	11.2	9.1
Frostings, Icings, Fudge Mixes	62,590					57,530					8.8		7.7	
Other Prepared Mixes	313,290					268,920					16.5		10.4	
Macaroni Products	$1,015,680	$ 759,430	.49	.37	75	$ 940,920	$ 702,850	.50	.39	75	7.9	8.1	6.6	7.0
Macaroni	337,330	237,060	.15	.11	70	312,630	219,700	.16	.12	70	7.9	7.9	7.3	7.7
Noodles	250,290	180,480	.12	.09	72	233,040	168,040	.12	.09	72	7.4	7.4	5.3	6.2
Spaghetti	428,060	341,890	.22	.17	80	395,250	315,110	.22	.18	80	8.3	8.5	6.8	6.9
Condiments, Dressings, Spreads, Relishes	**$4,345,930**	**$3,290,460**	**2.12**	**1.62**	75	**$3,904,900**	**$2,948,770**	**2.10**	**1.62**	76	11.3	11.2	7.9	7.9
Condiments	$1,355,910	$1,038,600	.67	.51	77	$1,214,020	$ 928,210	.66	.51	76	11.7	11.9	6.5	6.6
Barbecue Sauces	38,680	33,410	.02	.02	86	32,070	27,630	.02	.02	86	20.6	20.9	2.8	2.8
Catsup	440,370	343,300	.22	.17	78	396,370	308,170	.22	.17	78	11.1	11.4	5.8	5.8
Condiment Sauces[19]	77,640	59,560	.04	.03	77	72,090	55,200	.04	.03	77	7.7	7.9	6.5	6.5
Flavor Enhancers	18,580	16,510	.01	.01	89	16,740	14,850	.01	.01	89	11.0	11.2	5.9	5.9
Mustard, Prepared	110,080	80,470	.05	.04	73	97,070	70,860	.05	.04	73	13.4	13.6	5.5	5.7
Pepper	143,950	103,890	.07	.05	72	132,060	95,220	.07	.05	72	9.0	9.1	2.4	2.4
Salt	127,540	104,010	.07	.05	82	117,870	96,040	.07	.05	82	8.2	8.3	6.1	6.1
Spices	399,070	297,450	.19	.14	74	349,750	260,240	.18	.14	74	14.1	14.3	9.8	10.2
Dressings, Spreads	$2,075,410	$1,632,380	1.06	.81	79	$1,836,420	$1,440,630	1.03	.79	78	13.0	13.3	10.2	9.5
French Dressings	78,220	65,500	.04	.03	84	72,290	60,310	.04	.03	83	8.2	8.6	7.8	8.1
Mayonnaise	647,290	512,660	.33	.25	79	579,490	455,700	.33	.25	79	11.7	12.5	11.2	11.4
Other Dressings[20]	630,320	530,440	.34	.26	84	568,370	474,450	.34	.26	84	10.9	11.8	8.4	6.3
Olive Oil	56,470	51,110	.04	.03	90	50,780	45,920	.03	.03	90	11.2	11.3	11.1	12.5
Peanut Butter	510,800	360,890	.23	.17	71	425,670	301,750	.22	.17	71	20.0	19.6	12.8	12.4
Sandwich Spreads	48,380	42,460	.03	.02	88	45,600	39,940	.03	.02	88	6.1	6.3	2.8	2.8
Vinegar	103,930	69,320	.05	.03	67	94,220	62,560	.04	.03	66	10.3	10.8	9.8	10.2
Relishes & Appetizers	$ 914,610	$ 609,480	.39	.30	67	$ 854,460	$ 579,930	.41	.32	68	7.0	5.1	5.3	6.0
Bottled Green Olives	127,920	105,960	.07	.05	83	120,790	99,870	.07	.05	83	5.9	6.1	9.7	9.7
Canned Ripe Olives	103,550	90,460	.06	.04	87	98,240	85,740	.06	.05	87	5.4	5.5	4.8	4.8
Pickled cucumbers, Tomatoes, Peppers[21]	593,920	337,630	.21	.17	57	551,970	321,860	.23	.18	58	7.6	4.9	4.8	5.9
Relishes & Mixed Pickles	89,220	75,430	.05	.04	85	83,460	72,460	.05	.04	87	6.9	4.1	2.9	2.9
Desserts	**$ 301,460**	**$ 268,660**	**.17**	**.13**	89	**$ 280,610**	**$ 249,960**	**.18**	**.14**	89	**7.4**	**7.5**	**7.8**	**7.6**
Packaged Gelatin Desserts[22]	199,720	181,130	.11	.09	91	187,350	169,760	.12	.09	91	6.6	6.7	7.2	7.0
Prepared Puddings[23]	101,740	87,530	.06	.04	86	93,260	80,200	.06	.05	86	9.1	9.1	8.9	8.7
Instant	34,800	28,830	.02	.01	83	31,960	26,400	.02	.02	83	8.9	9.2	9.7	9.7
Others	66,940	58,700	.04	.03	88	61,300	53,800	.04	.03	88	9.2	9.1	8.5	8.3
Dried Foods	**$3,534,260**	**$2,320,930**	**1.50**	**1.15**	66	**$3,174,600**	**$2,080,290**	**1.48**	**1.14**	66	**11.3**	**11.6**	**7.9**	**9.2**
Dried Vegetables, Fruits, Nuts	$2,916,220	$1,802,160	1.16	.89	62	$2,600,010	$1,598,350	1.14	.88	61	12.2	12.8	8.0	9.9
Beans and Peas	593,230	297,330	.19	.15	50	551,330	273,530	.20	.15	50	7.6	8.7	8.2	10.2
Fruits	578,580	448,670	.29	.22	77	531,290	410,870	.29	.23	77	8.9	9.2	17.9	18.3
Instant Mashed Potatoes	105,640	97,600	.06	.05	92	95,430	87,850	.06	.05	92	10.7	11.1	6.6	6.2
Other Instant Potatoes	41,180	37,160	.02	.02	90	37,570	33,840	.02	.02	90	9.6	9.8	4.8	3.9
Nuts	1,597,590	921,400	.60	.45	58	1,384,390	792,260	.57	.43	57	15.4	16.3	4.8	6.5
Other Dried Foods	$ 618,040	$ 518,770	.34	.26	84	$ 574,590	$ 481,940	.34	.26	84	7.6	7.6	7.2	7.0
Cured Fish	158,980	99,970	.07	.05	63	143,350	89,500	.06	.05	62	10.9	11.7	11.1	13.7
Dry Milk Powders[24]	130,330	120,550	.08	.06	92	127,150	117,380	.08	.06	92	2.5	2.7	3.4	3.0
Soup Mixes[25]	197,620	177,590	.11	.09	90	182,810	163,680	.12	.09	90	8.1	8.5	9.4	9.1
Instant Bouillon & Cubes	47,280	43,510	.03	.02	92	42,480	39,060	.03	.02	92	11.3	11.4	2.8	2.0
Dry Gravy Mixes	50,940	47,810	.03	.02	94	46,650	43,700	.03	.02	94	9.2	9.4	6.1	5.9
Dry Toppings	32,890	29,340	.02	.02	89	32,150	28,620	.02	.02	89	2.3	2.5	1.6	1.6
Fats & Shortening[26]	**$1,664,480**	**$1,296,350**	**.84**	**.64**	78	**$1,588,160**	**$1,230,300**	**.88**	**.67**	77	**4.8**	**5.4**	**5.7**	**6.2**
Cooking & Salad Oils	850,510	681,890	.44	.34	80	774,600	622,730	.45	.34	80	9.8	9.5	9.0	8.7
Lard	187,310	79,710	.05	.04	42	197,380	83,820	.06	.04	42	−5.1	−4.9	−4.4	−5.0
Shortening[26A]	626,660	534,750	.35	.26	85	616,180	523,750	.37	.29	85	1.7	2.1	5.3	5.3

[19] Excludes chili, seafood, cocktail, and spaghetti sauce.

[20] Includes pourable and spoon-type salad dressings.

[21] Includes pickles of all types as well as pickled tomatoes, peppers, and the like. Mixed pickles are included in relishes.

[22] Both flavored and unflavored.

[23] Includes corn starch puddings, tapioca, rennet.

[24] Non-fat dry milk solids in household size packages.

[25] Excludes bouillon cubes listed separately below.

[26] Olive oil included with dressings, Margarine with Dairy.

[26A] Vegetable shortening and shortening compounds.

SPENDING FOR DRY GROCERIES——continued

(add 000 to all dollar figures)	1980					1979					percentage change			
PRODUCTS	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	From '79 to '80		From '78 to '79	
											Total[3]	Gro.[3]	Total[3]	Gro.[3]
Jams, Jellies, Preserves	$ 841,270	$ 717,780	.46	.36	85	$ 747,340	$ 640,300	.45	.35	86	12.6	12.1	7.7	7.9
Citrus Marmalade	11,270	717,780	.46	.36	85	10,470	640,300	.45	.35	86	7.6	12.1	8.2	7.9
Fruit Butter	6,000					5,650					6.1		3.6	
Jams, Preserves	592,350					523,280					13.2		7.9	
Jellies	231,650					207,940					11.4		7.3	
Sweeteners, Flavors	$ 3,081,890	$ 2,524,440	1.63	1.25	82	$ 2,169,860	$ 1,708,690	1.22	.94	79	42.0	47.7	4.3	4.3
Flavoring Extracts	138,180	91,650	.06	.05	66	129,850	85,670	.06	.05	66	6.4	7.0	5.5	6.1
Vanilla Extract	83,800	56,760	.04	.03	68	79,360	53,450	.04	.03	67	5.6	6.2	4.0	4.9
Other Flavoring Extracts	54,380	34,890	.02	.02	.64	50,490	32,220	.02	.02	63	7.7	8.3	7.9	8.0
Marshmallow Creme	10,440	9,410	.01	*	90	9,450	8,570	.01	*	91	10.5	9.8	4.6	4.1
Packaged Molasses	3,880	3,310	*	*	85	3,860	3,280	*	*	85	0.5	0.8	-1.8	-1.8
Sugar	2,601,610	2,177,370	1.40	1.08	84	1,722,920	1,386,860	.99	.76	80	51.0	57.0	4.1	4.1
Table Syrup	327,780	242,700	.16	.12	74	303,780	224,310	.16	.12	74	7.9	8.2	5.3	5.3
All Other Dry Groceries[27]	$ 2,154,390	$ 1,828,810	1.18	.91	85	$ 1,882,880	$ 1,600,450	1.14	.88	85	14.4	14.3	11.2	11.4
Duplication[27A]	$ -484,830	$ -363,060	-.23	-.18	—	$ -394,200	$ -285,240	-.20	-.16	—	—	—	—	—
Total Dry Groceries	$ 88,779,920	$ 52,816,370	34.11	26.14	59	$ 80,801,920	$ 47,009,790	33.50	25.78	59	9.9	12.4	6.9	7.1
Total Foods[28]	$245,669,620	$154,841,900	100.00	76.63	63	$226,425,980	$140,355,000	100.00	76.96	62	8.5	10.3	9.8	9.7

WHAT CONSUMERS SPEND FOR HOUSEHOLD, PET, TOBACCO PRODUCTS

(add 000 to all dollar figures)	1980					1979					percentage change			
PRODUCTS	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	From '79 to '80		From '78 to '79	
											Total[3]	Gro.[3]	Total[3]	Gro.[3]
Household Supplies	$ 17,077,050	$ 14,033,540	29.72	6.95	82	$ 15,260,260	$ 12,525,760	29.81	6.87	82	11.9	12.0	12.6	12.7
Dry Cleaners	$ 52,820	$ 31,140	.07	.02	59	$ 44,630	$ 26,170	.06	.02	59	18.4	19.0	13.0	11.6
Home Dry Cleaning Fluids	22,370	18,360	.04	.01	82	19,020	15,530	.04	.01	82	17.6	18.2	8.8	8.2
Spot Cleaning Fluids	30,450	12,780	.03	.01	42	25,610	10,640	.02	.01	42	18.9	20.1	16.3	17.1
Laundry Supplies	$ 871,970	$ 796,120	1.69	.39	91	$ 797,320	$ 730,230	1.74	.40	92	9.4	9.0	6.7	6.2
Bleaches	269,120	249,580	.53	.12	93	248,840	232,010	.55	.13	93	8.1	7.6	2.7	2.3
Liquid	229,100	213,510	.45	.11	93	212,330	198,980	.47	.11	94	7.9	7.3	1.8	1.4
Dry	40,020	36,070	.08	.01	90	36,510	33,030	.08	.02	90	9.6	9.2	8.6	8.2
Bluing	4,260	3,540	.01	*	83	4,480	3,720	.01	*	83	-4.8	-4.8	-6.4	-6.9
Fabric Softeners	481,670	437,060	.93	.22	91	434,720	395,170	.94	.22	91	10.8	10.6	11.8	11.4
Laundry Starch	116,920	105,940	.22	.05	91	109,280	99,330	.24	.05	91	7.0	6.7	-2.0	-2.5
Dry	8,300	7,420	.02	*	89	7,900	7,090	.02	*	90	5.1	4.6	-6.7	-6.7
Sprays	85,490	77,030	.16	.04	90	79,230	71,660	.17	.04	90	7.9	7.5	-1.4	-1.8
Other Liquids	23,130	21,490	.04	.01	93	22,150	20,580	.05	.01	93	4.4	4.4	-2.3	-3.6
Soaps & Detergents	$ 4,021,510	$ 3,679,130	7.79	1.82	91	$ 3,683,800	$ 3,373,800	8.03	1.85	92	9 2	9.1	12.3	12.2
Cleansers (Scouring)	264,630	205,040	.43	.10	77	246,860	190,910	.45	.11	77	7.2	7.4	12.9	14.1
Laundry Bar Soap	6,230	4,870	.01	*	78	6,540	5,120	.01	*	78	-4.8	-4.8	-8.8	-9.4
Soap Flakes, Chips, Powders	36,570	34,140	.07	.02	93	34,150	31,880	.08	.02	93	7.1	7.1	4.6	4.0
Liquid Detergents	1,232,570	1,140,920	2.42	.56	93	1,131,340	1,048,310	2.50	.57	93	8.9	8.6	12.0	11.7
Heavy Duty	363,550	333,890	.71	.16	92	321,440	295,480	.71	.16	92	13.1	13.0	14.7	14.5
Other Liquids	869,020	807,030	1.71	.40	93	809,900	752,830	1.79	.41	93	7.3	7.2	10.9	10.7
Other Detergents	1,721,930	1,627,240	3.45	.81	94	1,595,890	1,512,760	3.60	.83	95	7.9	7.6	12.4	12.1
Dishwasher Compounds	196,270	175,860	.37	.09	90	174,620	156,740	.37	.09	90	12.4	12.2	13.0	12.8
Other Dry Low Sudsing	641,980	596,870	1.27	.30	93	586,820	547,590	1.30	.30	93	9.4	9.0	9.6	9.2
Other Dry Detergents	883,680	854,510	1.81	.42	97	834,450	808,430	1.93	.44	97	5.9	5.7	14.3	14.1
Toilet Soaps & Detergents[28A]	759,580	666,920	1.41	.33	88	669,020	584,820	1.39	.32	87	13.5	14.0	13.3	13.2
Deodorant Soaps & Bars	428,190	414,110	.88	.20	97	378,260	367,440	.87	.20	97	13.2	12.7	11.8	11.8
Other Bath Soaps	233,670	180,120	.38	.09	77	203,900	154,340	.37	.09	76	14.6	16.7	15.9	16.1
Other Bath Detergents	97,720	72,690	.15	.04	74	86,860	63,040	.15	.03	73	12.5	15.3	13.7	14.2
Other Cleaners & Cleansers	$ 1,140,050	$ 922,300	1.95	.46	81	$ 1,029,320	$ 831,140	1.98	.46	81	10.8	11.0	8.5	9.0
All-purpose Cleaners (liquids)	459,760	391,260	.83	.19	85	402,590	342,310	.81	.19	85	14.2	14.3	12.9	13.1
Cellulose Sponges	76,910	60,530	.13	.03	79	70,240	54,830	.13	.03	78	9.5	10.4	12.3	15.1
Drain Pipe Solvents	20,970	19,190	.04	.01	92	19,540	17,880	.04	.01	92	7.3	7.3	5.8	5.5
Household Ammonia	26,210	17,700	.04	.01	67	27,190	18,360	.04	.01	68	-3.6	-3.6	-5.9	-5.7
Household Floor Brooms	137,820	97,810	.21	.05	71	130,140	92,100	.22	.05	71	5.9	6.2	3.7	4.2
Rug Cleaners[28B]	71,780	51,590	.11	.03	72	60,470	43,240	.10	.02	71	18.7	19.3	8.2	9.0
Steel Wool & Wire Sponges[29]	96,630	87,320	.18	.04	90	90,820	81,990	.20	.05	90	6.4	6.5	0.8	0.8
Toilet Bowl Cleaners	71,480	61,040	.13	.03	85	65,760	56,210	.13	.03	85	8.4	8.6	9.6	10.1
Wall & Floor Cleaners[30]	45,230	40,530	.09	.02	90	44,920	40,250	.10	.02	85	0.7	0.7	2.1	1.4
Window Cleaning Liquids	55,190	48,880	.10	.03	89	49,590	44,000	.11	.03	89	11.3	11.1	10.8	10.5
All Other Cleaning Supplies[31]	78,070	46,450	.10	.02	59	68,060	39,970	.10	.02	59	14.7	16.2	10.1	11.7

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[27] Includes new products and products not classified elsewhere.

[27A] For "Infant Formulas

[28] Edibles for human consumption. Excludes pet foods.

[28A] Excludes liquid soaps and detergents.

[28B] Liquids, Sprays, and Powders.

[29] Includes soap cakes and pads. Excludes plastics.

[30] Chemical heavy duty household cleaners for walls, woodwork and floors. Excludes liquids.

[31] Includes borax, water softeners, and similar items.

* Less than .005%

SPENDING FOR HOUSEHOLD, PET, TOBACCO PRODUCTS——continued

(add 000 to all dollar figures)

PRODUCTS	1980					1979					percentage change			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	From '79 to '80 Total[3]	From '79 to '80 Gro.[3]	From '78 to '79 Total[3]	From '78 to '79 Gro.[3]
Home Canning Supplies	$ 134,810	$ 114,260	.24	.06	85	$ 130,600	$ 112,830	.27	.06	86	3.2	1.3	16.0	16.2
Caps, Lids, Bands	84,610	74,120	.16	.04	88	77,060	68,500	.17	.04	89	9.8	8.2	16.1	16.0
Jars	43,270	34,460	.07	.02	80	47,080	39,030	.09	.02	83	-8.1	-11.7	16.3	17.1
Rings	6,930	5,680	.01	*	82	6,460	5,300	.01	*	82	7.2	7.1	12.5	12.5
Pesticides	$ 275,890	$ 121,570	.26	.06	44	$ 256,800	$ 113,170	.27	.06	44	7.4	7.4	6.2	6.1
Aerosols	70,820	50,490	.11	.02	71	65,820	46,790	.11	.02	71	7.6	7.9	3.8	3.9
Liquids (Non Aerosol)	20,840	15,090	.03	*	72	20,410	14,720	.04	.01	72	2.1	2.5	4.4	4.6
Pastes, Solids, Strips	170,920	50,330	.11	.02	29	158,260	46,430	.11	.03	29	8.0	8.4	7.2	8.5
Personal Insect Repellants	13,310	5,660	.01	*	42	12,310	5,230	.01	*	42	8.1	8.3	9.3	10.1
Paper Products	$ 7,008,690	$ 6,012,720	12.73	2.98	86	$ 6,161,440	$ 5,292,960	12.60	2.90	86	13.8	13.6	15.4	15.3
Cleansing & Facial Tissues	626,500	547,930	1.16	.28	87	574,240	500,850	1.19	.27	86	9.1	9.4	10.9	12.4
Disposable Diapers & Liners	1,866,050	1,446,570	3.06	.72	77	1,557,640	1,203,470	2.86	.66	77	19.8	20.2	18.6	19.1
Pre-moistened Towels and Wipes	50,940	40,780	.09	.02	80	40,170	32,110	.08	.02	80	26.8	27.0	8.6	8.6
Paper Cups[31A]	308,500	239,670	.51	.12	78	268,730	208,230	.50	.11	77	14.8	15.1	7.7	8.3
Paper Plates[31A]	272,200	211,310	.45	.10	78	233,250	179,380	.43	.10	77	16.7	17.8	6.4	8.3
Paper Towels	1,449,420	1,343,280	2.85	.66	93	1,306,960	1,213,440	2.89	.66	93	10.9	10.7	15.7	15.4
Toilet Paper	2,020,220	1,874,230	3.97	.93	93	1,806,990	1,679,420	4.00	.92	93	11.8	11.6	18.6	17.1
Freezer Paper	16,730	13,740	.03	.01	82	15,710	12,820	.03	.01	82	6.5	7.2	8.3	10.1
Garbage Bags[32]	1,010	650	*	*	64	1,020	660	*	*	65	-0.9	-0.8	-1.1	-1.1
Paper Napkins	258,810	242,800	.51	.12	94	228,630	213,920	.51	.12	94	13.2	13.5	7.0	6.3
Sandwich Bags[32]	7,380	6,530	.01	*	88	7,650	6,760	.02	*	88	-3.5	-3.4	-3.2	-3.2
Shelf Paper[32]	2,090	1,330	*	*	64	2,170	1,370	*	*	63	-3.7	-2.9	-6.2	-6.2
Waxed Paper	11,890	10,100	.02	*	85	12,060	10,240	.02	.01	85	-1.6	-1.4	-3.7	-3.7
Other Paper Products[33]	116,950	33,800	.07	.02	29	106,220	30,290	.07	.02	29	10.1	11.6	9.7	12.2
Household Aluminum Foil	$ 323,200	$ 290,210	.62	.14	90	$ 281,290	$ 253,460	.60	.14	90	14.9	14.5	12.4	12.1
Plastic Film Wraps[34]	$ 596,960	$ 531,120	1.13	.26	89	$ 513,130	$ 457,180	1.09	.25	89	16.3	16.2	10.9	10.6
Plastic Bags	432,580	383,050	.81	.19	89	360,360	319,570	.76	.17	89	20.0	19.9	9.7	10.0
Garbage Disposal	253,660	222,520	.47	.11	88	213,340	186,680	.44	.10	88	18.9	19.2	10.5	11.1
All Other Plastic Bags	178,920	160,530	.34	.08	90	147,020	132,890	.32	.07	90	21.7	20.8	8.5	8.4
Other Plastic Wraps	164,380	148,070	.32	.07	90	152,770	137,610	.33	.08	90	7.6	7.6	13.8	12.1
Waxes & Polishes	$ 574,650	$ 389,070	.82	.19	68	$ 499,040	$ 332,440	.79	.18	67	15.2	17.0	7.6	7.3
Automobile Polish	117,630	30,250	.06	.02	26	109,220	28,540	.07	.02	26	7.7	6.0	10.0	9.6
Furniture Polish	97,470	64,530	.14	.03	66	87,650	57,980	.14	.03	66	11.2	11.3	6.9	6.9
Liquid Floor Wax	8,180	4,850	.01	*	59	8,010	4,740	.01	*	59	2.1	2.4	0.4	0.5
Paste Floor Wax	5,210	3,350	.01	*	64	4,970	3,170	.01	*	64	4.9	5.7	3.6	3.8
Self-Polishing Floor Wax	346,160	286,090	.60	.14	83	289,190	238,010	.56	.13	82	19.7	20.2	7.3	7.3
Other Household Supplies	$ 1,888,310	$ 1,054,610	2.23	.52	56	$ 1,701,630	$ 924,290	2.20	.51	54	11.0	14.1	10.8	12.3
Charcoal Briquets	278,710	222,510	.47	.11	80	224,950	175,340	.42	.10	78	23.9	26.9	6.1	7.4
Electric Light Bulbs[35]	814,110	367,270	.78	.18	45	738,090	332,970	.79	.18	45	10.3	10.3	10.7	16.6
Household Deodorizers	199,120	133,850	.28	.06	67	172,250	115,290	.28	.06	67	15.6	16.1	12.5	13.6
Household Disinfectants	214,220	159,240	.34	.08	74	188,410	139,680	.33	.08	74	13.7	14.0	8.7	8.9
Household Tints & Dyes	42,730	3,870	.01	*	9	40,200	3,640	.01	*	9	6.3	6.4	6.1	6.8
Matches, Boxed	29,990	20,040	.04	.01	67	31,140	20,790	.05	.01	67	-3.7	-3.6	5.8	2.2
White Shoe Polishes	13,950	132,930	.28	.07	50	12,810	123,310	.29	.07	50	8.9	7.8	9.6	13.1
Other Shoe Polishes	251,130					233,610					7.5		8.7	
Household Gloves	44,350	14,900	.03	.01	34	40,170	13,270	.03	.01	33	10.4	12.3	9.1	14.7
Household Supplies, n.e.c.	$ 188,190	$ 91,290	.19	.05	49	$ 161,260	$ 78,090	.18	.04	48	16.7	16.9	18.6	19.1
Pet Foods[36]	$ 3,517,270	$ 3,228,170	6.84	1.60	92	$ 3,152,620	$ 2,886,810	6.87	1.58	92	11.6	11.8	12.0	10.7
Bird Food	29,540	15,770	.03	.01	53	29,220	15,600	.04	.01	55	1.1	1.1	3.8	5.2
Canned Cat Foods	692,400	643,640	1.36	.32	93	635,810	589,950	1.40	.32	93	8.9	9.1	11.7	10.0
Canned Dog Foods	846,020	799,640	1.70	.39	94	752,020	710,160	1.69	.39	94	12.5	12.6	12.8	12.5
Dry Cat Foods	179,730	157,320	.33	.08	87	158,210	138,000	.33	.08	87	13.6	14.0	17.0	16.8
Dry Dog Foods	1,417,480	1,296,250	2.75	.64	91	1,223,020	1,115,530	2.65	.61	91	15.9	16.2	15.6	13.3
Semi-Moist Dog Foods	309,460	277,690	.59	.14	90	313,220	281,060	.67	.15	90	-1.2	-1.2	-1.7	-1.7
Semi-Moist Cat Foods	42,640	37,860	.08	.02	89	41,120	36,510	.09	.02	89	3.7	3.7	4.9	2.0
Tobacco Products	$ 16,153,420	$ 6,812,320	14.42	3.37	42	$ 14,825,650	$ 6,121,070	14.57	3.36	41	9.0	11.3	5.9	7.3
Cigarettes	15,029,520	6,547,270	13.86	3.24	44	13,698,560	5,866,730	13.97	3.22	43	9.7	11.6	5.8	7.3
Filter-tipped	13,829,490	6,547,270	13.86	3.24	44	12,481,490	5,866,730	13.97	3.22	43	10.8	11.6	6.8	7.3
Other Cigarettes	1,200,030					1,217,070					-1.4		-3.2	
Cigars	724,520	89,560	.19	.04	12	758,660	92,900	.22	.05	42	-4.5	-3.6	4.8	6.0
Tobacco & Snuff	399,380	175,490	.37	.09	44	368,430	161,440	.38	.09	44	8.4	8.7	9.2	9.4
All Other Groceries n.e.c.	$ 1,793,430	$ 1,728,910	3.66	.85	96	$ 1,614,250	$ 1,557,160	3.71	.85	96	11.1	11.0	19.2	19.8
Total Other Groceries	$ 38,546,410	$ 25,802,940	54.64	12.77	67	$ 34,852,780	$ 23,090,800	54.96	12.66	65	10.6	11.7	9.8	11.3
Total Foods & Grocery Products	$284,216,030	$180,644,840	...	89.40	63	$259,395,880	$163,445,800	...	89.62	62	8.7	10.5	9.3	9.9

31A Includes plastic and other non-paper disposables.

32 Paper only.

33 Excludes aluminum or plastic which are listed separately below.

34 Consumer size packages for household use only.

35 200 watt and under including non-residential use. Grocery store sales, estimated at 70% of residential.

36 Pet accessories listed under General Merchandise.

n.e.c. Not elsewhere classified. * Less than .005%.

N.A. Not available.

WHAT CONSUMERS SPEND FOR GENERAL MERCHANDISE/HBA

(add 000 to all dollar figures)

PRODUCTS	1980					1979					percentage change			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[7]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	From '79 to '80 Total[3]	From '79 to '80 Gro.[3]	From '78 to '79 Total[3]	From '78 to '79 Gro.[3]
Health & Beauty Aids (Non-Rx)	$20,429,710	$7,756,940	16.43	3.84	38	$ 18,293,780	$ 6,774,560	16.13	3.72	37	11.7	14.5	9.5	14.3
Dieting Aids	$ 143,500	$ 64,640	.14	.03	45	$ 132,360	$ 58,070	.14	.03	44	8.4	11.3	7.7	11.7
Metered Calorie Products	33,320	13,080	.03	.01	39	34,070	13,290	.03	.01	39	-2.7	-1.6	3.6	6.2
Reducing Preparations	42,570	6,030	.01	*	14	35,800	4,810	.01	*	13	18.9	25.4	11.9	18.4
Synthetic Sweeteners	67,610	45,530	.10	.02	67	62,490	39,970	.10	.02	64	8.2	13.9	7.8	12.8
Cosmetics, Hand Products	$ 3,573,820	$ 553,260	1.17	.27	16	$ 3,158,330	$ 468,600	1.12	.26	15	13.2	18.1	9.0	14.7
Eye Makeup Products	1,250,000	218,260	.46	.11	17	1,070,200	175,870	.42	.10	16	16.8	24.1	13.2	25.7
Mascara	406,980					366,320					11.1		9.2	
Eyebrow Pencil	106,150					98,380					7.9		16.1	
Eye Shadow	586,750	218,260	.46	.11	17	464,940	175,870	.42	.10	16	26.2	24.1	14.4	25.7
Other eye preparations and accessories[37]	150,120					140,560					6.8		13.6	
Face Cream	440,870	84,990	.18	.04	19	401,520	74,420	.18	.04	19	9.8	14.2	8.4	12.3
Face Lotions & Astringents	80,050	8,260	.02	*	10	73,640	7,110	.02	*	10	8.7	16.1	6.2	13.1
Hand Creams	18,520	4,000	.01	*	22	18,980	4,090	.01	*	22	-2.4	-2.3	2.7	5.2
Hand & Body Lotions	203,500	72,200	.15	.04	35	188,250	64,930	.15	.04	34	8.1	11.2	11.6	14.3
Lipstick	548,380	24,530	.05	.01	4	465,120	19,530	.05	.01	4	17.9	25.6	5.6	8.4
Liquid Facial Cleansers	94,270	25,770	.06	.01	27	90,990	24,990	.06	.01	27	3.6	3.1	9.7	11.5
Loose Face Powder	15,710	450	*	*	3	17,610	610	*	*	3	-10.8	-26.2	-22.3	-24.6
Makeup Bases	501,960	26,940	.06	.01	5	458,100	23,440	.06	.01	5	9.6	15.1	7.4	8.8
Cake	52,740	3,020	.01	*	6	49,430	2,670	.01	*	5	6.7	13.1	1.0	1.8
Lotion	290,850	16,320	.03	.01	6	264,170	14,350	.03	.01	5	10.1	13.9	9.4	10.3
Cream	158,370	7,600	.02	*	5	144,500	6,420	.02	*	4	9.6	18.4	4.7	7.2
Manicure Implements	109,280	54,760	.12	.03	50	96,620	46,170	.11	.03	48	13.1	18.6	11.1	12.0
Nail Enamel Removers	32,950	6,850	.01	*	21	28,020	5,660	.01	*	20	17.6	21.0	8.7	14.6
Nail Polish & Enamel	157,830	20,590	.04	.01	13	135,710	16,350	.04	.01	12	16.3	25.9	9.2	16.3
Pressed Cake Powder and Blush Makeup	120,500	5,660	.01	*	5	113,570	5,430	.01	*	5	6.1	4.2	9.5	12.1
Hair Products[38]	$ 2,601,350	$1,070,570	2.27	.53	41	$ 2,384,260	$ 955,650	2.27	.52	40	9.1	12.0	7.8	9.3
Coloring Preparatinos	447,320	65,470	.14	.03	15	405,520	57,130	.14	.03	14	10.3	14.6	6.8	14.1
Rinses	72,020	65,470	.14	.03	15	66,500	57,130	.14	.03	14	8.3	14.6	7.9	14.1
Tints & Dyes	375,300					339,020					10.7		6.6	
Cream Rinses	122,670	64,760	.14	.03	53	114,970	60,690	.14	.03	53	6.7	6.7	8.2	12.1
Dandruff Rinses	15,000	5,430	.01	*	36	14,480	5,290	.01	*	37	3.6	2.7	10.0	12.3
Men's Hair Dressing	103,490	49,650	.11	.03	48	95,260	44,230	.11	.03	46	8.6	12.3	6.1	11.8
Aerosol	31,840	13,540	.03	.01	42	30,240	12,640	.03	.01	42	5.3	7.1	3.8	4.3
All Other	71,650	36,110	.08	.02	50	65,020	31,590	.08	.02	49	10.2	14.3	7.2	15.1
Shampoos	929,380	529,520	1.12	.26	57	846,090	468,030	1.11	.26	55	9.8	13.1	9.6	9.9
Medicated Shampoo	229,430	112,260	.24	.06	49	207,440	97,280	.23	.05	47	10.6	15.4	8.9	9.2
Baby Shampoo	67,410	44,840	.09	.02	66	62,470	41,440	.10	.02	66	7.9	8.2	7.7	7.7
Color Shampoo	17,220	3,490	.01	*	20	16,290	3,110	.01	*	19	5.7	12.3	4.1	5.3
All Other Shampoo	615,320	368,930	.78	.18	60	559,890	326,200	.77	.18	58	9.9	13.1	10.3	10.8
Women's Hair Sprays	236,370	106,200	.22	.05	45	220,290	96,810	.23	.05	44	7.3	9.7	-1.6	-1.6
Waveset Preparations	19,060	5,600	.01	*	29	19,960	5,930	.01	*	30	-4.5	-5.6	9.3	9.8
Women's Hair Dressing & Conditioners	214,860	95,990	.20	.05	45	188,970	83,830	.20	.04	44	13.7	14.5	12.6	13.4
All Other Hair Dressings	33,450	8,210	.02	*	24	30,890	7,300	.02	*	24	8.3	12.4	10.7	15.5
Bobby Pins	41,590	10,340	.02	.01	25	38,980	9,090	.02	.01	23	6.7	13.8	8.4	14.6
Combs	119,120	13,100	.03	.01	11	113,230	12,350	.03	.01	11	5.2	6.1	9.3	13.2
Hair Brushes	190,760	81,100	.17	.04	42	174,850	72,410	.17	.04	41	9.1	12.0	7.7	7.7
Hair Nets	33,550	3,720	.01	*	11	32,830	3,620	.01	*	11	2.2	2.5	3.8	3.0
Home Permanent Kits, Refills	67,290	21,980	.05	.01	33	60,240	19,350	.05	.01	32	11.7	13.6	12.6	14.3
Pin Curl Clips	27,440	9,500	.02	.01	35	27,800	9,590	.02	.01	34	-1.2	-0.9	3.5	5.4
Health Aids	$ 1,477,190	$ 746,340	1.58	.37	50	$ 1,309,030	$ 636,930	1.52	.35	49	12.8	17.2	7.6	8.6
Baby Oils & Lotions	52,660	22,770	.05	.01	43	43,400	20,870	.05	.01	43	8.8	9.1	17.4	17.6
Baby Pants	95,550	17,720	.04	.01	18	91,700	16,620	.04	.01	18	4.2	6.6	5.8	5.8
Baby Powder	73,710	36,300	.08	.02	49	61,270	29,780	.07	.02	49	20.3	21.9	11.7	13.5
Cotton Swabs	54,630	30,460	.06	.02	56	48,600	26,810	.06	.01	55	12.4	13.7	13.8	14.1
First Aid Products	552,470	259,210	.55	.13	47	496,450	224,280	.54	.12	45	11.3	15.6	12.7	14.7
Adhesive Tape[39A]	57,740	31,090	.07	.02	54	54,680	29,300	.07	.02	54	5.6	6.1	3.1	4.9
Cotton Balls	58,810	20,540	.04	.01	35	53,900	18,310	.04	.01	34	9.1	12.2	10.6	14.3
All Other First Aid Cotton	26,730	11,300	.02	.01	42	24,500	10,400	.03	.01	42	9.1	8.7	7.9	8.1
Gauze Bandages	33,150	7,500	.02	*	23	30,580	6,860	.02	*	22	8.4	9.3	7.1	7.6
Adhesive Bandages[39B]	299,850	161,550	.34	.08	54	263,720	135,640	.32	.07	51	13.7	19.1	18.2	19.4
Gauze Dressings	38,710	7,910	.02	*	20	36,310	7,300	.02	*	20	6.6	8.4	9.6	14.3
First Aid Kits	37,480	19,320	.04	.01	51	32,760	16,470	.04	.01	50	14.4	17.3	4.7	5.1
Nipples & Pacifiers	19,320	8,030	.02	*	42	17,870	7,390	.02	*	41	8.1	8.6	7.7	6.9
Nursing Bottles	22,630	4,060	.01	*	18	20,880	3,600	.01	*	17	8.4	12.8	3.7	7.5
Glass	4,780	680	*	*	14	5,040	710	*	*	14	-5.2	-4.3	-12.2	-15.1
Plastic	17,850	3,380	.01	*	19	15,840	2,890	.01	*	18	12.7	16.9	10.1	15.3
Sanitary Belts	6,770	3,070	.01	*	45	6,710	3,040	.01	*	45	0.9	1.1	-8.8	-9.7
Sanitary Napkins	303,610	196,290	.41	.10	65	248,450	156,030	.37	.09	63	22.2	27.5	-3.4	-3.4
Tampons	295,840	168,410	.35	.08	57	268,700	148,510	.35	.08	55	10.1	13.4	8.0	12.2
Personal Cleanliness Items	$ 190,820	$ 47,380	.10	.02	25	$ 181,650	$ 45,790	.11	.03	25	5.0	3.5	4.3	9.8
Bath Salts, Tablets, Oils	88,550	24,310	.05	.01	27	87,880	24,080	.06	.01	27	0.8	1.0	8.7	14.1
Bubble Bath	43,290	15,900	.03	.01	37	44,400	16,210	.04	.01	37	-2.5	-1.9	8.1	13.6
Other Salts, Tablets, Oils	45,260	8,410	.02	*	19	43,480	7,870	.02	*	18	4.1	6.8	9.3	15.2
Liquid Douches	26,260	8,340	.02	*	32	24,050	7,470	.02	*	31	9.2	11.6	12.5	14.1
Powder Douches	18,910	7,770	.02	*	41	18,720	7,640	.02	*	41	1.0	1.7	-0.5	-1.1
Talcum, Body Powder	57,100	6,960	.01	*	12	54,280	6,600	.01	*	12	5.2	5.4	2.1	4.4

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[37] Includes false lash adhesives, liners, brushes, tweezers, etc. Excludes lotions and washes.

[38] Excludes products sold for professional use.

[39A] Plastic and fabric rolls and spools only.

[39B] Plastic and fabric patches, spots, strips, etc. Excludes rolls and spools.

* Less than .005%.

SPENDING FOR GM/HBA——continued

(add 000 to all dollar figures)	1980					1979					percentage change			
PRODUCTS	Value¹ of Total Domestic Consumption	Amount Spent in Grocery Stores²	% of Non-food Sales	% of Total Store	% Gro.² to Total	Value¹ of Total Domestic Consumption	Amount Spent in Grocery Stores²	% of Non-food Sales	% of Total Store	% Gro.² to Total	From '79 to '80 T[illegible]	From '79 to '80 Gro.³	From '78 to '79 Total³	From '78 to '79 Gro.³
Infant Feeding Formulas	$ 484,830	$ 363,060	.77	.18	**75**	$ 294,200	$ 285,240	.68	.16	**72**	23.0	27.3	9.6	10.3
Hypoallergenic Formulas[40]	100,740	68,390	.15	.03	**68**	80,660	51,930	.12	.03	**64**	24.9	31.7	8.6	11.3
Routine Infant Formulas	384,090	294,670	.62	.15	**77**	313,540	233,310	.56	.13	**74**	22.5	26.3	9.9	10.1
Oral Hygiene Products	$ 1,522,130	$ 760,670	1.61	.38	**50**	$ 1,388,420	$ 674,110	1.60	.37	**49**	9.6	12.8	9.4	11.1
Denture Adhesives	80,430	26,660	.06	.01	**33**	74,060	24,480	.05	.01	**33**	8.6	8.9	7.9	13.7
Denture Cleansers	118,960	51,180	.11	.03	**43**	108,940	43,970	.10	.03	**40**	9.2	16.4	6.4	15.1
Mouthwashes, Gargles	366,930	170,460	.36	.08	**46**	337,560	151,790	.37	.08	**45**	8.7	12.3	9.8	10.7
Tooth Brushes (Non-elec)	164,780	50,550	.11	.03	**31**	150,350	45,380	.11	.02	**30**	9.6	11.4	10.3	16.6
Tooth Paste	787,720	460,610	.97	.23	**58**	714,160	407,260	.97	.22	**57**	10.3	13.1	9.7	10.2
Tooth Powder	3,310	1,210	*	*	**37**	3,350	1,230	*	*	**37**	-1.2	-1.4	-0.7	-1.1
Packaged Medications	$ 4,651,510	$ 1,395,120	2.95	.69	**30**	$ 4,056,680	$ 1,188,500	2.83	.65	**29**	14.7	17.4	12.8	15.9
Acne Preparations	135,480	23,100	.05	.01	**17**	127,090	20,790	.05	.01	**16**	6.6	11.1	8.8	12.3
Antacid Liquids	76,350	29,760	.06	.01	**39**	69,660	26,550	.06	.01	**38**	9.6	12.1	7.4	9.2
Antacid Powders	4,570	1,900	*	*	**42**	4,680	1,940	*	*	**41**	-2.4	-2.1	1.6	1.6
Antacid Tablets, Pills, Gums, Lozenges	77,380	39,250	.08	.02	**51**	69,460	33,950	.08	.02	**49**	11.4	15.6	7.5	12.2
Antacids effervescent	134,150	63,990	.14	.03	**48**	122,290	56,880	.14	.03	**47**	9.7	12.5	10.9	14.4
Analgesics, internal[41]	1,090,440	475,380	1.01	.24	**44**	925,110	401,890	.96	.22	**43**	17.9	18.3	14.8	16.3
Regular strength	397,950	167,230	.36	.08	**42**	333,010	139,590	.33	.08	**42**	19.5	19.8	10.1	12.1
Extra strength	461,180	218,240	.46	.11	**47**	392,830	186,210	.44	.10	**47**	17.4	17.2	17.8	18.4
Pediatric	60,730	24,730	.05	.01	**41**	49,780	20,240	.05	.01	**41**	22.0	22.2	9.7	13.6
Arthritic	49,420	15,540	.03	.01	**31**	46,320	14,150	.03	.01	**31**	6.7	9.8	14.5	19.2
Menstrual	31,410	13,400	.03	.01	**43**	26,660	11,270	.03	.01	**42**	17.8	18.9	16.3	17.1
Sinus	89,750	36,240	.08	.02	**40**	76,510	30,430	.07	.02	**40**	17.3	19.1	21.7	24.8
External Analgesic Salves, Ointments, Balms	106,980	25,910	.05	.01	**24**	102,180	24,400	.06	.01	**24**	4.7	6.2	6.9	14.4
Cold Tablets, Capsules	444,900	125,650	.27	.06	**28**	391,640	106,300	.25	.06	**27**	13.6	18.2	12.7	17.1
Diarrhea Remedies	74,840	37,000	.08	.02	**49**	68,720	32,860	.08	.02	**48**	8.9	12.6	9.3	10.2
Nose Drops	8,460	930	*	*	**11**	8,010	860	*	*	**11**	5.6	8.2	2.1	2.7
Nasal Sprays	108,300	12,500	.03	.01	**11**	96,610	11,020	.03	.01	**11**	12.1	13.4	11.4	15.5
Cough Drops, Lozenges, Troches	229,600	52,580	.11	.02	**23**	201,750	42,970	.10	.02	**21**	13.8	22.4	12.2	17.3
Cough Drops	141,370	47,070	.10	.02	**33**	122,190	38,080	.09	.02	**31**	15.7	23.6	14.1	18.3
Lozenges, Troches	88,230	5,510	.01	*	**6**	79,560	4,890	.01	*	**6**	10.9	12.6	9.5	10.4
Cough Syrups, Elixirs, Expectorants	337,580	66,280	.14	.03	**20**	302,760	57,940	.14	.03	**19**	11.5	14.4	15.1	18.6
Cough & Cold Salves, Ointments[42]	42,540	15,080	.03	.01	**35**	38,430	13,250	.03	.01	**34**	10.7	13.8	8.8	10.1
All Other Cough and Cold Items[43]	161,800	11,850	.03	.01	**7**	142,810	10,210	.02	.01	**7**	13.3	16.1	10.7	13.6
Hemorrhoidal Suppositories	67,620	17,420	.04	.01	**26**	59,580	14,490	.03	.01	**24**	13.5	20.2	8.6	12.2
Hemorrhoidal Ointments	47,120	12,330	.03	.01	**26**	40,690	10,390	.03	.01	**26**	15.8	18.7	14.4	16.9
Laxative Tablets, Pills, Gums	109,910	33,380	.07	.02	**30**	95,490	28,190	.07	.02	**30**	15.1	18.4	7.3	11.1
Lip Protectors	23,360	6,200	.01	*	**26**	22,060	5,840	.01	*	**26**	5.9	6.1	5.4	5.4
Milk of Magnesia Liquids	43,870	13,860	.03	.01	**32**	39,030	12,580	.03	.01	**32**	12.4	10.2	8.5	8.5
Mineral Oil	14,300	8,820	.02	*	**25**	13,170	7,710	.02	*	**24**	8.6	14.4	7.4	16.7
Mineral Oil Emulsions	20,920					18,950					10.4		9.8	
Saline Preparations	10,370	1,210	*	*	**12**	10,180	1,190	*	*	**12**	1.9	1.6	1.0	1.1
Bulk Type Laxatives	82,550	9,850	.02	*	**12**	68,450	7,770	.02	*	**11**	20.6	26.7	10.7	12.3
Stool Softeners	84,890	5,950	.01	*	**7**	78,670	5,300	.01	*	**7**	7.9	12.2	12.5	15.5
Other Liquid Laxatives	29,290	6,330	.01	*	**22**	26,800	5,740	.01	*	**21**	9.3	10.2	7.7	7.9
Milk of Magnesia Tablets	9,070	4,520	.01	*	**50**	8,670	4,300	.01	*	**50**	4.6	5.1	2.4	2.4
Suntan Lotions and Oils	158,940	26,830	.06	.01	**17**	131,460	20,390	.05	.01	**16**	20.9	31.6	12.9	16.6
Vitamins, Tonics[44]	694,040	228,440	.48	.11	**33**	597,280	192,130	.46	.11	**32**	16.2	18.9	14.5	18.2
Eye lotions, washes	75,560	30,660	.06	.02	**41**	65,310	25,300	.06	.01	**39**	15.7	21.2	13.6	19.4
Contact lens solutions	146,330	8,160	.02	*	**6**	109,690	5,370	.01	*	**5**	33.4	51.9	28.9	125.6
Shaving Products	$ 1,309,160	$ 522,430	1.11	.26	**40**	$ 1,206,560	$ 474,000	1.13	.26	**39**	8.5	10.2	8.9	11.5
After Shave Lotions	219,030	70,510	.15	.03	**32**	199,660	62,730	.15	.03	**31**	9.7	12.4	10.1	14.7
Men's Talcum	2,440	570	*	*	**23**	2,470	580	*	*	**23**	-1.3	-2.2	-4.8	-6.3
Pre-Shave Products	21,890	8,780	.02	*	**40**	22,750	9,120	.02	*	**40**	-3.8	-3.7	11.7	13.9
Razor Blades	585,870	333,940	.71	.17	**57**	539,030	303,100	.72	.17	**56**	8.7	10.2	8.1	10.9
Disposable razor-blades	119,300	62,680	.13	.03	**52**	82,500	43,020	.10	.02	**52**	44.6	45.7	51.9	52.4
All other blades	466,570	271,260	.58	.13	**58**	456,530	260,080	.62	.14	**57**	2.2	4.3	2.8	6.1
Razors	41,500	16,950	.04	.01	**41**	41,130	16,750	.04	.01	**41**	0.9	1.2	1.1	1.0
Shaving Cream	185,650	72,640	.15	.04	**39**	170,040	64,880	.15	.04	**38**	9.2	12.0	8.9	11.9
Aerosol	180,390	71,520	.15	.04	**40**	164,440	63,690	.15	.03	**39**	9.7	12.3	9.6	12.4
Non-aerosol	5,260	1,120	*	*	**21**	5,600	1,190	*	*	**21**	-6.1	-6.1	-9.2	-9.8
Shaving Soaps & Sticks	4,230	1,290	*	*	**30**	4,290	1,310	*	*	**31**	-1.3	-1.4	2.6	2.8
Men's Cologne	248,550	17,750	.04	.01	**7**	227,190	15,530	.04	.01	**7**	9.4	14.3	11.3	21.5
Personal Deodorants, Antiperspirants	$ 600,460	$ 283,770	.60	.14	**47**	$ 555,780	$ 259,680	.62	.14	**47**	8.0	9.3	6.2	5.9
Creams	28,340	11,580	.03	.01	**41**	26,020	10,400	.02	.01	**40**	8.9	11.3	6.7	6.7
Squeeze Container Sprays	4,110	1,820	*	*	**44**	4,130	1,830	*	*	**44**	-0.6	-0.4	1.7	1.7
Liquids	5,320	210	*	*	**4**	4,950	190	*	*	**4**	7.4	9.2	-2.8	-2.8
Sticks	26,830	11,530	.02	.01	**43**	22,010	8,230	.02	*	**37**	21.9	40.1	16.4	19.3
Roll-on Types	246,190	99,010	.21	.04	**40**	216,720	81,980	.20	.04	**38**	13.6	20.9	17.8	22.2
Pads	970	330	*	*	**34**	1,110	380	*	*	**34**	-14.1	-14.2	2.8	2.8
Powders (excl. aerosols)	1,490	350	*	*	**23**	1,290	290	*	*	**22**	15.3	18.8	9.0	12.1
Feminine Sprays	10,710	5,230	.01	*	**49**	12,140	5,980	.01	*	**49**	-11.8	-12.5	-12.6	-13.9
All Other Aerosol (incl. powder)	276,500	153,710	.33	.08	**56**	267,410	150,400	.36	.08	**56**	3.4	2.2	-1.3	-1.0
Other Health & Beauty Aids	$ 3,874,940	$ 1,949,700	4.13	.96	**50**	$ 3,526,510	$ 1,727,990	4.11	.95	**49**	9.9	12.8	9.3	22.3
Prescriptions	**$ 12,656,060**	**$ 992,550**	**2.10**	**.49**	**8**	**$ 11,381,350**	**$ 887,000**	**2.11**	**.49**	**8**	**11.2**	**11.9**	**10.0**	**10.8**

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[40] Includes soy isolate formulas.

[41] Includes non-aspirin compounds.

[42] Excludes analgesics.

[43] Includes antihistamines, room decongestants, inhaler tubes and other inhalants.

[44] Total consumption excludes doctor's prescriptions and sales at equivalent retail prices to hospitals.

Total vitamin market estimated by industry sources at $1.5 billion in 1980.

*Less than .005%.

WHAT CONSUMERS SPEND FOR OTHER GENERAL MERCHANDISE

(add 000 to all dollar figures)

PRODUCTS	1980					1979					percentage change			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	From '79 to '80 Total[3]	From '79 to '80 Gro.[3]	From '78 to '79 Total[3]	From '78 to '79 Gro.[3]
Disposable Cigarette Lighters	$ 186,750	$ 53,880	.11	.03	29	$ 175,020	$ 50,450	.12	.03	29	6.7	6.8	9.4	21.1
Flashlights & Batteries	$ 1,426,100	$ 417,750	.88	.21	29	$1,122,030	$ 313,040	.75	.17	28	27.1	33.4	11.4	21.0
Flashlights	224,620	24,400	.05	.01	11	212,510	22,100	.06	.01	10	5.7	10.4	10.1	16.3
Batteries	1,201,480	393,350	.83	.20	33	909,520	290,940	.69	.16	32	32.1	35.2	11.7	21.3
Garden Seed Packets[45]	$ 123,930	$ 62,090	.13	.03	50	$ 112,560	$ 57,070	.14	.03	51	10.1	8.8	9.2	6.4
Greeting Cards	$ 2,405,440	$ 175,860	.37	.09	7	$2,138,170	$ 149,540	.36	.08	7	12.5	17.6	7.7	9.1
Household Glassware[46]	$ 834,940	$ 118,790	.25	.06	14	$ 724,680	$ 106,360	.25	.06	15	15.2	11.7	16.4	11.1
Beverageware	320,020	51,000	.11	.03	16	282,950	45,860	.11	.03	16	13.1	11.2	14.9	9.8
Food Prep Glassware	303,850	40,820	.09	.02	13	258,380	36,030	.09	.02	14	17.6	13.3	19.7	13.4
Tableware	100,370	21,580	.04	.01	21	89,620	19,690	.05	.01	22	12.0	9.6	11.9	9.8
Ornamental & Novelty Glassware	110,700	5,390	.01	*	5	93,730	4,780	*	*	5	18.1	12.8	16.9	11.7
Housewares, Other[47]	nd	$ 2,435,530	5.16	1.21	nd	nd	$ 2,125,240	5.06	1.17	nd	nd	14.6	nd	13.9
Magazines[48] & Newspapers[49]	$ 5,687,210	$ 897,090	1.90	.44	16	$5,127,010	$ 783,920	1.87	.43	15	10.9	14.4	11.1	12.6
Comics, Children's Magazines, Color Books	290,480	619,680	1.31	.31	37	263,120	537,920	1.28	.29	36	10.4	15.2	9.7	13.3
Other Magazines[50]	1,373,380					1,219,700					12.6		11.0	
Grocery Store Distributed[50A] Magazines	147,000	132,700	.28	.06	90	130,320	117,330	.28	.06	90	12.8	13.1	12.1	11.4
Newspapers	2,627,360	30,750	.07	.01	1	2,390,680	27,550	.07	.02	1	9.9	11.6	11.4	8.9
Paper Back Books	1,248,990	113,960	.24	.06	9	1,123,190	101,120	.24	.06	9	11.2	12.7	10.8	11.4
Motor Oil & Additives[50B]	$ 1,124,410	$ 224,610	.48	.11	20	$ 986,320	$ 185,820	.44	.10	19	14.0	20.9	12.3	53.4
Motor Oil	973,930	199,020	.42	.10	20	852,080	163,800	.39	.09	19	14.3	21.5	13.0	54.7
Motor Oil Additives	150,480	25,590	.06	.01	17	134,240	22,020	.05	.01	16	12.1	16.2	8.1	44.3
Pet Accessories[51]	$ 1,522,580	$ 489,930	1.04	.24	32	$1,389,100	$ 438,870	1.04	.24	32	9.6	11.6	12.6	15.8
Cat Litter	210,940	152,400	.32	.07	72	187,670	135,230	.32	.07	72	12.4	12.7	14.9	19.2
Other Pet Accessories	1,311,640	337,530	.72	.17	26	1,201,430	303,640	.72	.17	25	9.2	11.2	12.3	14.4
Grooming Aids	52,260	10,510	.03	.01	20	48,250	9,510	.02	.01	20	8.3	10.5	8.7	9.4
Flea Collars, etc.	230,760	151,880	.32	.07	66	214,660	135,490	.32	.07	63	7.5	12.1	13.6	14.9
All other Accessories[51]	1,028,620	175,140	.37	.09	17	938,520	158,640	.38	.09	17	9.6	10.4	12.2	14.3
Phonograph Records	$ 1,667,630	$ 141,960	.30	.07	8	$1,479,710	$ 143,680	.34	.08	10	12.7	-1.2	10.0	11.2
Photo Film & Processing[51A]	$ 3,625,640	$ 476,220	1.01	.23	13	$3,389,520	$ 409,570	.97	.22	12	7.0	16.3	2.3	15.9
Film[51A]	1,210,010	326,720	.69	.16	27	1,134,030	280,690	.67	.15	25	6.7	16.4	10.4	18.7
Processing	2,415,630	149,500	.32	.07	6	2,255,490	128,880	.30	.07	6	7.1	16.0	-1.4	10.2
Photo Flash Bulbs & Cubes	$ 677,050	$ 90,520	.19	.04	13	$ 622,290	$ 78,240	.19	.05	13	8.8	15.7	9.5	15.2
Shoe Laces (replacements)[52]	$ 41,350	$ 24,290	.05	.01	59	$ 39,720	$ 23,180	.06	.01	58	4.1	4.8	8.3	6.2
Stationery	$ 505,390	$ 107,690	.23	.05	21	$ 465,830	$ 97,230	.23	.06	21	8.5	10.8	8.5	12.2
Packaged Paper, Envelopes	68,830	20,520	.05	.01	30	63,910	18,980	.05	.01	30	7.7	8.1	6.0	10.3
Writing Tablets, Pads	231,510	57,520	.12	.02	25	206,520	50,770	.12	.03	25	12.1	13.3	15.9	16.4
Notebooks	71,700	14,950	.03	.01	21	68,160	13,880	.03	.01	20	5.2	7.7	5.1	12.7
Looseleaf Fillers	133,350	14,700	.03	.01	11	127,240	13,600	.03	.01	11	4.8	8.1	1.0	0.8
Sunglasses	$ 721,850	$ 51,260	.11	.03	7	$ 621,750	$ 44,040	.10	.02	7	16.1	16.4	11.4	19.2
Toys[53]	$ 6,150,360	$ 159,070	.34	.08	3	$5,442,800	$ 136,070	.32	.07	3	13.0	16.9	9.5	17.0
Vacuum Bottles, Jugs	$ 262,830	$ 33,810	.07	.02	13	$ 245,070	$ 30,970	.07	.02	13	7.2	9.2	9.5	11.9
Vacuum Bottles	171,430	18,890	.04	.01	11	162,800	17,800	.04	.01	11	5.3	6.1	8.4	10.2
Insulated Jugs	91,400	14,920	.03	.01	16	82,270	13,170	.03	.01	16	11.1	13.3	11.7	14.3
Women's Hosiery	$ 2,777,870	$ 534,190	1.13	.26	19	$2,475,530	$ 466,770	1.11	.26	19	12.2	14.4	9.1	10.0
Panty Hose	2,594,550	523,710	1.11	.26	20	2,289,980	456,190	1.09	.25	20	13.3	14.8	9.8	10.2
Stockings	183,320	10,480	.02	*	6	185,550	10,580	.02	.01	6	-1.2	-0.9	0.9	2.4
Men's Hosiery	$ 952,350	$ 33,170	.07	.02	3	$ 885,080	$ 27,900	.07	.01	3	7.6	18.9	9.8	14.7
Men's, Boys' Underwear	nd	$ 64,590	.14	.03	nd	nd	$ 53,470	.13	.03	nd	nd	20.8	nd	26.7
Writing Implements	$ 625,810	$ 73,180	.15	.03	12	$ 567,770	$ 62,980	.15	.03	11	10.2	16.2	9.5	13.3
Ballpoint & Fountain Pens	275,630	36,660	.07	.02	13	240,530	30,220	.07	.02	13	14.6	21.3	8.9	11.6
Ballpoint Refills	45,070	4,270	.01	*	9	39,780	3,610	.01	*	9	13.3	18.2	7.4	10.1
Broad Tip Markers	55,950	4,720	.01	*	8	52,000	4,320	.01	*	8	7.6	9.3	11.5	14.6
Fine Line Porous Pens	187,970	24,530	.05	.01	13	171,190	21,860	.05	.01	13	9.8	12.2	12.1	16.8
Woodcased Pencils	61,190	3,000	.01	*	5	64,270	2,970	.01	*	5	-4.8	1.1	4.9	8.4
General Merchandise n.e.c.[54]	nd	$ 6,005,190	12.72	2.97	nd	nd	$ 5,473,230	13.03	3.00	nd	nd	9.7	nd	18.9
Total Other General Merchandise[54A]	nd	$ 12,670,670	26.83	6.27	nd	nd	$ 11,257,640	26.80	6.17	nd	nd	12.6	nd	16.8
Total General Merchandise[55]	nd	$ 21,420,160	45.36	10.60	nd	nd	$ 18,919,200	45.04	10.38	nd	nd	13.2	nd	15.6
Grand Total*	nd	$202,065,000	...	100.00	nd	nd	$182,365,000	...	100.00	nd	nd	10.8	nd	10.5

45 Flower and vegetable seeds. Packets only.

46 Machine-made only.

47 Excludes machine-made glassware shown above.

48 Newsstand sales of weekly and monthly periodicals, digest size books, children's books, children's color books, pocket-size fiction.

49 Spending for newspapers, in all outlets, includes newsstand sales plus home deliveries and mail subscription.

50 Excludes magazines distributed primarily in grocery stores.

50A Magazines distributed "primarily" through grocery stores.

50B For non-commercial vehicles only.

51 Excludes pet foods (listed under grocery products) but includes treats, leashes, cages, trays, and other pet accessories not listed.

51A Excludes movie film.

52 Dress, work, and athletic shoes and boots. For replacement only.

53 Excludes sporting goods and apparatus.

54 Not classified elsewhere.

54A Excludes HBA and Prescriptions.

55 Includes prescriptions and other health and beauty aids.

nd—No data available *Less than .005%.

* As reported by U.S. Dept. of Commerce

SUMMARY OF 1980 SALES OF FOOD STORE PRODUCTS

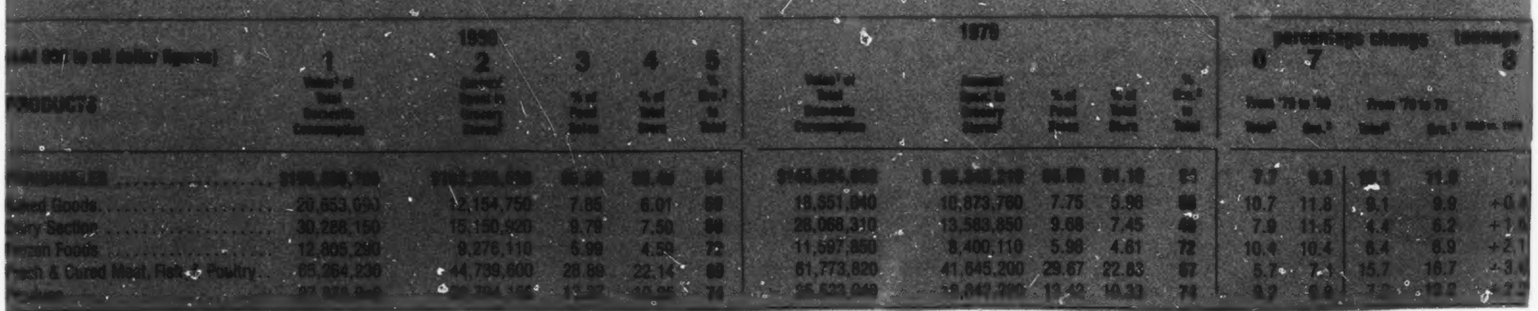
(add 000 to all dollar figures)

PRODUCTS	1980 Value[1] of Total Domestic Consumption	1980 Amount Spent in Grocery Stores[2]	1980 % of Food Sales	1980 % of Total Store	1980 % Gro.[2] to Total	1979 Value[1] of Total Domestic Consumption	1979 Amount Spent in Grocery Stores[2]	1979 % of Food Sales	1979 % of Total Store	1979 % Gro.[2] to Total	percentage change in dollars From '79 to '80 Total[3]	From '79 to '80 Gro.[3]	From '78 to 79 Total[3]	From '78 to 79 Gro.[3]	Grocery Tonnage 1980 vs. 1979
PERISHABLES	$156,889,700	$102,025,530	65.89	50.49	64	$145,624,060	$ 93,345,210	66.50	51.18	64	7.7	9.3	10.5	11.1	...
Baked Goods	20,653,090	12,154,750	7.85	6.01	59	18,651,040	10,873,760	7.75	5.96	58	10.7	11.8	9.6	10.4	+0.4
Dairy Section	30,288,150	15,150,920	9.79	7.50	50	28,068,310	13,583,850	9.68	7.45	48	7.9	11.5	8.6	11.7	+1.5
Frozen Foods	12,805,290	9,276,110	5.99	4.59	72	11,597,850	8,400,110	5.98	4.61	72	10.4	10.4	8.6	7.9	+2.1
Fresh & Cured Meat, Fish& Poultry	65,264,230	44,739,600	28.89	22.14	69	61,773,820	41,645,200	29.67	22.83	67	5.7	7.4	13.8	13.7	+3.6
Produce	27,878,940	20,704,150	13.37	10.25	74	25,533,040	18,842,290	13.42	10.33	74	9.2	9.9	6.7	7.2	+2.2
DRY GROCERIES	$ 88,674,570	$ 52,816,370	34.11	26.14	59	$ 80,801,920	$ 47,009,790	33.50	25.78	58	9.7	12.4	6.9	7.1	...
Baking Needs	61,740	55,170	.03	.03	89	58,760	52,440	.04	.03	89	5.1	5.2	3.1	3.9	-0.8
Beverages, Alcoholic	29,082,290	10,353,490	6.69	5.12	36	26,119,580	9,132,770	6.51	5.01	35	11.3	13.4	8.4	10.7	+2.8
Beverages, Prepared	8,806,680	6,771,820	4.37	3.35	77	8,500,780	6,537,840	4.66	3.58	77	3.6	3.6	- 1.3	- 1.5	-4.9
Beverages, Soft Drinks	8,957,550	5,194,130	3.35	2.57	58	7,558,350	4,395,260	3.13	2.41	58	18.5	18.2	7.7	8.2	+5.7
Candy & Chewing Gum	6,852,980	2,074,250	1.34	1.03	30	6,349,430	1,895,550	1.35	1.04	30	7.9	9.4	6.5	8.7	-1.1
Canned Foods	13,481,490	11,250,730	7.27	5.57	83	12,299,380	10,234,310	7.29	5.61	83	9.6	9.9	8.2	8.1	+1.6
Cereals, Flour, Macaroni	5,992,990	5,241,810	3.39	2.59	87	5,272,440	4,588,100	3.27	2.52	87	13.7	14.2	9.4	8.4	+0.4
Condiments Dressings, Spreads, Relishes	4,345,930	3,280,460	2.12	1.62	75	3,904,900	2,948,770	2.10	1.62	76	11.3	11.2	7.9	7.9	+0.6
Desserts	301,460	268,660	.17	.13	89	280,610	249,960	.18	.14	89	7.4	7.5	7.8	7.6	-3.6
Dried Foods	3,534,260	2,320,930	1.50	1.15	66	3,174,600	2,080,290	1.48	1.14	66	11.3	11.6	7.9	9.2	+4.6
Fats & Shortening	1,664,480	1,296,350	.84	.64	78	1,588,160	1,230,300	.88	.67	77	4.8	5.4	5.7	6.2	0.0
Jams, Jellies, Preserves	841,270	717,780	.46	.36	85	747,340	640,300	.45	.35	86	12.6	12.1	7.7	7.9	+0.5
Sweeteners, Flavors	3,081,890	2,524,440	1.63	1.25	82	2,169,860	1,708,690	1.22	.94	79	42.0	47.7	4.3	4.3	-5.3
All Other Dry Groceries	2,154,390	1,828,810	1.18	.91	85	1,882,880	1,600,450	1.14	.88	85	14.4	14.3	11.2	11.4	...
Duplication (subtract)	-484,830	-363,060	-.23	-.18	—	-394,200	-285,240	-.20	-.16	—	—	—	—	—	—
Total Foods	$245,564,270	$154,841,900	100.00	76.63	63	$226,425,980	$140,355,000	100.00	76.96	62	8.5	10.3	9.2	9.7	+2.1

(add 000 to all dollar figures)

PRODUCTS	1980 Value[1] of Total Domestic Consumption	1980 Amount Spent in Grocery Stores[2]	1980 % of Non-food Sales	1980 % of Total Store	1980 % Gro.[2] to Total	1979 Value[1] of Total Domestic Consumption	1979 Amount Spent in Grocery Stores[2]	1979 % of Non-food Sales	1979 % of Total Store	1979 % Gro.[2] to Total	From '79 to '80 Total[3]	From '79 to '80 Gro.[3]	From '78 to 79 Total[3]	From '78 to 79 Gro.[3]	Grocery Tonnage 1980 vs. 1979
OTHER GROCERIES	$ 38,541,170	$ 25,802,940	54.64	12.77	67	$ 34,852,780	$ 23,090,800	54.96	12.66	65	10.6	11.7	9.8	11.3	...
Household Supplies	17,077,050	14,033,540	29.72	6.95	82	15,260,260	12,525,760	29.81	6.87	82	11.9	12.1	12.6	12.7	+1.3
Pet Foods	3,517,270	3,228,170	6.83	1.60	92	3,152,620	2,886,810	6.87	1.58	92	11.6	11.8	12.0	10.7	+1.6
Tobacco Products	16,153,420	6,812,320	14.43	3.37	42	14,825,650	6,121,070	14.57	3.36	41	9.0	11.3	5.9	7.3	+3.2
All Other Groceries n.e.c.	1,793,430	1,728,910	3.66	.85	96	1,614,250	1,557,160	3.71	.85	96	11.1	10.9	19.2	19.8	...
Total Foods & Grocery Products	$284,105,440	$180,644,840	...	89.40	64	$261,278,760	$163,445,800	...	89.62	63	8.7	10.5	9.3	9.9	...
GENERAL MERCHANDISE	nd	$ 21,420,160	45.36	10.60	nd	nd	$ 18,919,200	45.04	10.38	nd	—	13.2	—	15.6	...
Health & Beauty Aids (Non-Rx)	20,429,710	7,756,940	16.43	3.84	36	18,293,780	6,774,560	16.13	3.72	37	11.7	14.5	9.5	14.3	+4.9
Prescriptions	12,656,060	992,550	2.10	.49	8	11,381,350	887,000	2.11	.49	8	11.2	11.9	10.0	10.8	+2.5
Flashlights & Batteries	1,426,100	417,750	.88	.21	29	1,122,030	313,040	.75	.17	28	27.1	33.4	11.4	21.0	+11.2
Greeting Cards	2,405,440	175,860	.37	.09	7	2,138,170	149,540	.36	.08	7	12.5	17.6	7.7	9.1	+9.6
Hosiery	3,730,220	567,360	1.20	.28	15	3,360,910	494,670	1.18	.27	15	11.0	14.7	9.3	10.3	+8.9
Household Glassware	834,940	118,790	.25	.06	14	724,860	106,360	.25	.06	15	15.2	11.7	16.4	11.1	+1.2
Housewares, Other	nd	2,435,530	5.16	1.21	nd	nd	2,125,240	5.06	1.17	nd	—	14.6	—	13.9	+3.8
Magazines & Newspapers	5,687,210	897,090	1.90	.44	16	5,127,010	783,920	1.87	.43	15	10.9	14.4	11.1	12.6	+3.2
Motor Oil and Additives	1,124,410	224,610	.48	.11	20	986,320	185,820	.44	.10	19	14.0	20.9	12.3	53.4	+1.8
Pet Accessories	1,522,580	489,930	1.04	.24	32	1,389,100	438,870	1.04	.24	32	9.6	11.6	12.6	15.8	+0.1
Phonograph Records	1,667,630	141,960	.30	.07	8	1,479,710	143,680	.34	.08	10	12.7	-1.2	10.0	11.2	-6.0
Photo Products	4,302,690	566,740	1.20	.28	13	4,011,810	487,810	1.16	.27	12	7.3	16.2	3.3	15.8	+4.2
Stationery/Writing Implem	1,131,200	180,870	.38	.09	16	1,033,600	160,210	.38	.09	16	9.4	12.9	9.0	12.6	+4.0
Toys	6,150,360	159,070	.34	.08	3	5,442,800	136,070	.32	.07	3	13.0	16.9	9.5	17.0	+7.8
Other General Merchandise	nd	6,295,110	13.33	3.12	nd	nd	5,732,410	13.65	3.14	nd	—	9.8	—	18.7	...
Total Excluding HBA & RX	nd	$ 12,670,670	26.83	6.27	nd	nd	$ 11,257,640	26.80	6.17	nd	—	12.6	—	16.8	...
Total Non-foods	nd	$ 47,223,100	100.00	23.37	nd	nd	$ 42,010,000	100.00	23.04	nd	—	12.4	—	13.2	...
GRAND TOTAL*	nd	$202,065,000	...	100.00	nd	nd	$182,365,000	...	100.00	nd	—	10.8	—	12.1	...

HOW TO USE THESE PRODUCT TABLES



1 This column shows consumption of the product line or category through all outlets and includes farm consumption of farm foods. Note that value of a product is computed as if the product were sold at grocery store prices.

2 This column shows the amount actually spent in grocery stores for each product line or category. Grocery stores are defined as retail outlets doing a major portion of their business in dry groceries.

3 This column shows what portion of the total food (or non-food) sales the item accounts for.

4 This column shows the percentage of total store volume contributed by each product line or category.

5 This column shows the share of total market accounted for by each product line or category.

6 This column shows the year-to-year increase or drop in total consumption through all types of outlets (see 1) of each product line or category.

* As reported by U.S. Dept. of Commerce.

7 This column shows the year-to-year increase or drop in grocery-store sales of each product line or category. Columns 6 and 7 will be helpful in determining whether grocery-store sales of a given item are advancing or declining at a faster or slower rate than the general trend.

8 This column shows the change in grocery store sales when dollar sales change is deflated by retail price change. Note that decreases in tonnage is often influenced by qualitative changes within a category.

FOCUS ON HBA

ANALGESICS SALES PULL AHEAD OF TOOTHPASTE, AS GROCERS GRAB 38% OF U.S. HBA DOLLARS

The search for the sex appeal smile was eclipsed last year by pill-popping for pain relief, as spending on internal analgesics surpassed spending on toothpaste.

Perhaps it was inflation, perhaps high prices, or maybe it was simply the "in" malaise of the moment, "free-floating anxiety," that drove more consumers to the aspirin bottle.

Whatever the reasons, they sent internal analgesics — Bufferin, Bayer, Tylenol, et al — spiraling into the second-place slot on this year's list of *"HBA's Top 10"* best-sellers in grocery stores.

The performance of toothpaste, bumped a rung to the Number Three spot, is hardly cause for concern, though — domestic toothpaste sales were $460 million overall in 1980, up from $407 million in 1979.

Equally to the point, the grocer's share of the U.S. toothpaste total continues its inexorable climb, inching up from 57 to 58 percent of overall sales.

Shampoo, as expected, continues as the HBA sales leader by a wide margin. Its grocery store volume was $529.5 million in 1980, or 13.1 percent above the previous year's $468 million.

Tonnage climbs, too

Part of these impressive dollar sales increases are inflation-induced, of course. But beneath the padding, there were real gains — SAMI reports for instance, an eight-percent tonnage hike for shampoo, a six-percent gain for analgesics, and a five-percent gain for toothpaste and powders for a recent 12-week period over the same period a year earlier.

In fact, while conflicting reports about HBA's sales situation in supers this year continue to make news, SAMI reports tonnage increases for no fewer than 25 HBA items, including the vital (for grocers, at least) categories of vitamins, deodorants, shampoo, analgesics and others found on both our *"Top 10"* movers and *"12 Fastest Gainers"* lists.

Grocers now do better than a third of the HBA business in the country, and their share is growing. Of total U.S. HBA sales in 1980, $7.7 billion, or 38 percent, was rung up by grocers, this year's CES reports.

Several products which appear on this year's *"Top 10"* list are per-

HBA'S TOP TEN*

RANK '80	RANK '79	ITEM	GROCERY STORE SALES (000) 1980	% CHANGE 1980 VS. 1979
1	1	Shampoo	$529,520	13.1%
2	3	Analgesics, Internal	475,380	18.3
3	2	Toothpaste	460,610	13.1
4	4	Razor Blades	333,940	10.2
5	5	Routine Infant Formulas	294,670	26.3
6	6	First Aid Products	259,210	15.6
7	7	Vitamins, Tonics	228,440	18.9
8	—	Eye Makeup Products	218,260	24.1
9	8	Sanitary Napkins	196,290	27.5
10	9	Mouthwashes, Gargles	170,460	12.3

*Non-Rx only —Not in top 10 in 1979

HBA'S TWELVE FASTEST '80 GAINERS

RANK '80	RANK '79	CATEGORY	'80 GROCERY STORE SALES (000)	% INCREASE FROM 1979
1	1	Contact Lens Solutions	$ 8,160	51.9%
2	2	Disposable Razor-Blade Combinations	62,680	45.7
3	9	Stick Deodorants	11,530	40.1
4	—	Hypoallergenic Infant Formulas	68,390	31.7
5	—	Suntan lotions & oils	26,830	31.6
6	—	Sanitary Napkins	196,290	27.5
7	—	Bulk Type Laxatives	9,850	26.7
8	—	Routine Infant Formulas	294,670	26.3
9	—	Nail Polish & Enamel	20,590	25.9
10	—	Lipstick	24,530	25.6
11	—	Reducing Preparations	6,030	25.4
12	—	Eye Makeup	218,260	24.1

HBA'S TEN FASTEST '80 LOSERS

RANK		% DECREASE FROM 1979
1	Loose face powder	26.2%
2	Deodorant pads	14.2
3	Feminine sprays	12.5
4	Shaving cream; non-aerosol	6.1
5	Waveset preparations	5.6
6	Glass nursing bottles	4.3
7	Pre shave products	3.7
8	Hand creams	2.3
9	Men's talcum	2.2
10	Antacid powders	2.1

forming an encore. Razor blades, vitamins, mouthwashes, first aid products, infant formulas and sanitary napkins — as well, of course, those old standbys, shampoo, internal analgesics and toothpaste — all appeared on last year's list. All are acknowledged "musts" in every well-stocked grocery store.

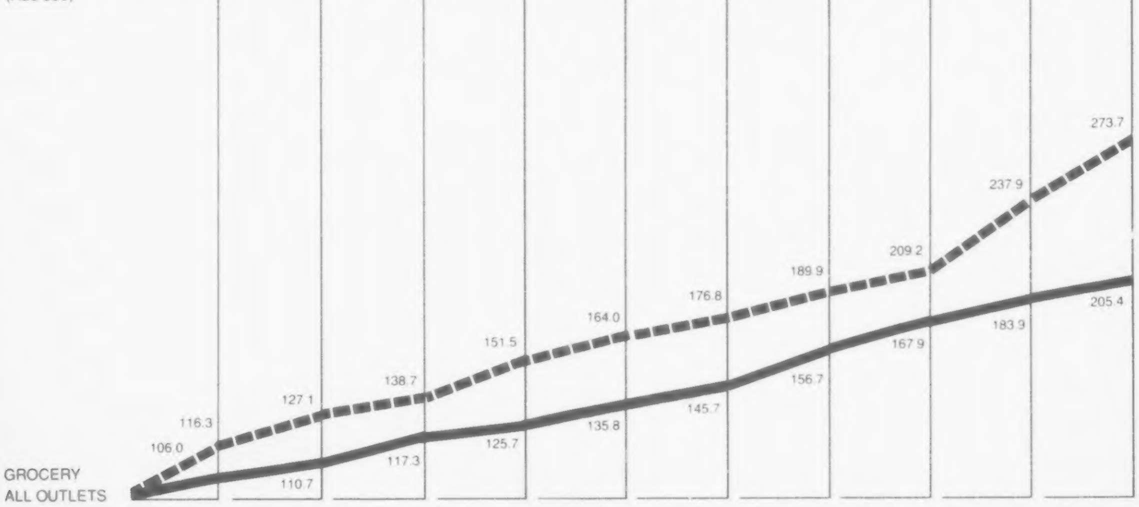
A glamorous new addition to the *"Top 10"* list this year is eye makeup, which vaulted from nowhere (on our list, that is) to eighth place. Eye makeup is also one of the three *"Top 10"* products (the other two are sanitary napkins and routine infant formulas) which made it on to this year's *"12 Fastest Gainers"*

Continued on next page

HEALTH & BEAUTY AIDS (NON-Rx) TEN-YEAR INDEX OF SALES 1970-1980

BASE YEAR—1970 = 100.0%

(Add 000)	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
ALL OUTLETS	$10,545,370	$11,009,370	$11,669,930	$12,510,160	$13,510,970	$14,497,270	$15,584,560	$16,706,650	$18,293,780	$20,429,710
GROCERY	$ 3,295,650	$ 3,602,160	$ 3,932,420	$ 4,294,930	$ 4,647,170	$ 5,011,840	$ 5,382,560	$ 5,929,120	$ 6,744,560	$ 7,756,940



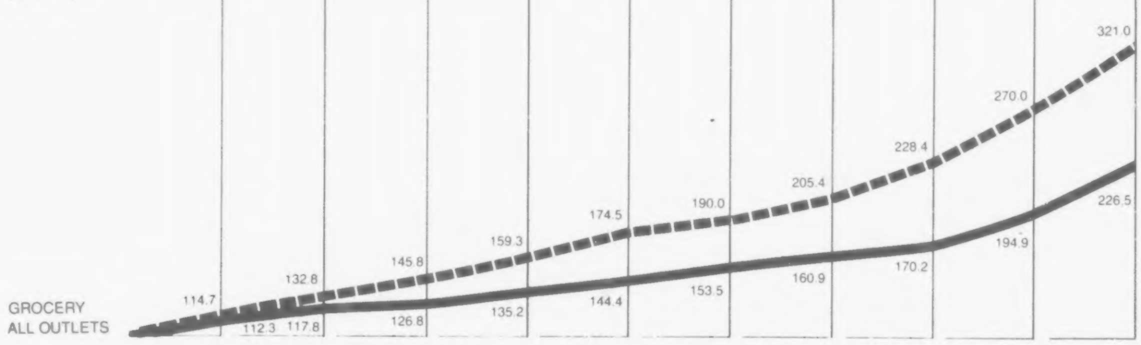
GROCERY STORE CONTRIBUTION TO HBA* INCREASE, 1980-1979— FOR 10 GROUPS AND SUB-GROUPS

*NON-Rx PRODUCTS ONLY	1980 SALES (000)	1979 SALES (000)	'80-'79 SALES INCREASE (000)	GROCERY STORE SHARE OF INCREASE
Total HBA (non-Rx)				
Grocery stores	$ 7,756,940	$ 6,774,560	$ 982,380	50.0%
All outlets	$20,429,710	$18,293,780	$2,135,930	
Cosmetics, Hand Products				
Grocery stores	$ 553,260	$ 468,600	$ 84,660	20.4%
All outlets	$ 3,573,820	$ 3,158,330	$ 415,490	
Deodorants, Anti-Perspirants				
Grocery stores	$ 283,770	$ 259,680	$ 24,090	53.9%
All outlets	$ 600,460	$ 555,780	$ 44,680	
Vitamins, Tonics				
Grocery stores	$ 228,440	$ 192,130	$ 36,310	37.5%
All outlets	$ 694,040	$ 597,280	$ 96,760	
Oral Hygiene Products				
Grocery stores	$ 760,670	$ 674,110	$ 86,560	64.7%
All outlets	$ 1,522,130	$ 1,388,420	$ 133,710	
First Aid Products				
Grocery stores	$ 259,210	$ 224,280	$ 34,930	62.4%
All outlets	$ 552,470	$ 496,450	$ 56,020	
Analgesics (internal)				
Grocery stores	$ 475,380	$ 401,890	$ 73,490	44.5%
All outlets	$ 1,090,440	$ 925,110	$ 165,330	
Dieting Aids				
Grocery stores	$ 64,640	$ 58,070	$ 6,570	59.0%
All outlets	$ 143,500	$ 132,360	$ 11,140	
Shaving Products				
Grocery stores	$ 522,430	$ 474,000	$ 48,430	47.2%
All outlets	$ 1,309,160	$ 1,206,560	$ 102,600	
Hair Products				
Grocery stores	$ 1,070,570	$ 955,650	$ 114,920	52.9%
All outlets	$ 2,601,350	$ 2,384,260	$ 217,090	
Infant Feeding Formulas				
Grocery stores	$ 363,060	$ 285,240	$ 77,820	85.9%
All outlets	$ 484,830	$ 394,200	$ 90,630	

VITAMINS, TONICS TEN-YEAR INDEX OF SALES 1970-1980

BASE YEAR—1970 = 100.0%

(Add 000)	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
ALL OUTLETS	$344,090	$360,950	$388,380	$414,400	$442,580	$470,460	$493,040	$521,640	$597,280	$694,040
GROCERY	$ 81,620	$ 94,510	$103,780	$113,330	$124,180	$135,230	$146,180	$162,550	$192,130	$228,440



"Was it 'free-floating anxiety,' today's 'in' malaise, that drove more consumers to the aspirin bottle?"

Continued from page 69

list as well.

Why all the action in these three categories? One industry wag speculates that it's the "post-war baby girls coming of child-bearing age, now producing their own "boomlet"...and all these new mothers, going round the clock without sleep, using eye makeup in unprecedented amounts."

The infant feeding formula deluge is yet another indication that the birth boom might well be on — sales rose $77.8 million, from $285.2 million in 1979 to $363 million in 1980. Happily, grocers enjoyed an 85.9 percent share of the increase.

Another stellar performer this year, heading the "*Fastest Gainers*" list for the second year, is contact lens solution. CES figures point to a whopping 51 percent volume leap for 1980 over 1979.

Even when inflation is factored in, the category's performance is impressive: SAMI reports a 20.5-percent tonnage jump for contact lens solution for a recent 12-week period compared with the same year-earlier period.

This is a gain far greater than SAMI reports for any other HBA category except stick deodorants (posting a 37.9-percent tonnage rise).

This can be attributed to the burgeoning number of new contact lens wearers coupled with, again, the one-stop shopping syndrome.

Contacts are now worn by 13 to 15 million Americans. This number is expected to swell to as many as 25 million over the next five years, as lens improvements are made and prices continue to drop, industry sources claim.

New lenses no threat

Last January's FDA approval of soft lenses which can be worn up to two weeks without cleaning or disinfecting is shrugged off by the makers of contact lens solutions.

Five years from now, they predict, only 10 percent of soft lens wearers will be using the newly approved version, as they require special fitting and follow-up checks, produce complications if used incorrectly; and in any case, can be worn only by myopic patients.

Currently, grocery stores do only six percent of the contact lens solution business. But the sharp growth rate — grocers did just three percent of the business in 1978 — as well as simple logic suggest that a large potential market is available to be tapped by grocers.

Says one contact lens wearer, "I've been buying my solution at Pathmark. Why should I go out of my way to buy it at a drugstore

Hudson. The New Standard in Vitamin Merchandising.

Many companies may offer a line of vitamins, but only Hudson can provide a complete range of vitamin brands that will meet the total needs of your customers, plus an effective new method for merchandising them.

HUDSON: THE BRANDED LINE

Hudson's brand recognition rivals that of any nationally advertised vitamin — and far exceeds that of any other broadly distributed vitamin line. For over 50 years Hudson has been recognized as one of the best known vitamin brands available.

The Hudson line provides a choice of 150 SKUs, combining both individual and multiple vitamins in regular and natural formulas.

Hudson also markets selected high-volume, over-the-counter drug products.

Hudson is the branded vitamin line for today — including the most popular individual and multiple vitamin formulas and those items that are only now becoming popular with consumers.

Hudson offers retailers gross margins as high as or higher than any other vitamin brand.

The Hudson line includes an assortment of single, timed-release, mega-strength and multiple vitamins. Indeed, Hudson is a strong supplier of branded multiple formulations, marketing 12 mega-vitamins — including therapeutic, prenatal and geriatric formulations.

ECOLOGY: THE NATURAL BRAND

Ecology brand is Hudson's natural vitamin line, one that mirrors the growing preference for sugar-, color-, starch- and preservative-free products.

The Ecology line features a complete product assortment (over 50 SKUs of multiple and individual vitamins), with full disclosure of ingredients on the label — and offers retailers the highest profit margins available.

TRUGANIC: THE CONTROL LABEL

Control label performs the vital retailer function of giving the consumer a choice. That's an especially important function in a high-price category like vitamins where consumers often look for and buy a lower-price alternative.

Truganic is that alternative — a brand that combines quality and value, consumers can find where they normally shop.

Truganic offers a choice of the high sales volume regular and natural vitamin products — a complete assortment of individual and multiple vitamins and minerals — with high profit margins.

SPIDER-MAN™: THE CHILDREN'S VITAMIN

The children's chewable vitamin market is a $60 million market, that's growing at a rate of 20% annually. The Spider-Man brand of children's vitamins has become one of the nation's leading children's chewable vitamins, reflecting the popularity of the Spider-Man character among America's children. Ranking in the top 10% in most vitamin movement surveys — and in the top 20% in many H&BA movement surveys.

Spider-Man has a solid share of the children's vitamin market, a market that is growing almost as rapidly as the adult market. And Spider-Man is marketed exclusively by Hudson.

PRIVATE LABEL: THE CHAIN BRAND

Hudson is among the nation's

Stress Formulas
VITAMIN C
VITAMIN C
Time Release Formulas

when I can get it with the groceries?"

Making more consumers aware that this once-drugstore-only item is available in supermarkets is key.

Retaining second and third place respectively on our list of *"HBA's 12 Fastest Gainers"* last year are "disposable razor blade combinations" — the disposable razors manufactured by Bic and Gillette — and stick deodorants.

Disposable razor sales zoomed nearly 46 percent, hitting $62.6 million in 1980.

They have become a high-profit checkout item in supermarkets everywhere, and grocers now slice off a hefty 52 percent of the disposable razor market.

Stick deodorants rose 40 percent, hitting $11.5 million. This precipitous leap catapulted the category from ninth place on the *"Fastest Gainers"* list for the last two years into third place this year.

Largest share hike

As can be seen from the *"Grocery Store Market Share Changes for HBA"* table, grocers seized the ball and ran with it — food store's six-percentage-point market share gain for stick deodorants is the biggest share increase posted by any HBA category tracked by our CES.

These volume and share gains are corroborated by SAMI data, which reports a whopping 37.9-percent tonnage hike for "stick deodorants and pads."

Most if not all of this gain, it can be safely assumed, is due to stick deodorant increases; pads continue to fade, showing a 14.2-percent volume decline.

This dollar volume drop, in fact, gives pads the dubious honor of a place high on our *"10 Fastest Losers"* list this year, second only to loose face powder. ■

INCREASES IN GROCERY STORE MARKET SHARE FOR HBA

	1980	1979	1978
Acne preparations	17	16	16
Adhesive bandages	54	51	51
Aerosol shaving cream	40	39	38
After shave lotions	32	31	30
Antacids effervescent	48	47	45
Antacids liquids	39	38	37
Antacid tablets, pills, gums, lozenges	51	49	47
Antacid powders	42	41	41
Bobby pins	25	23	22
Bulk type laxatives	12	11	11
Cold tablets, capsules	28	27	26
Color Shampoo	20	19	19
Coloring preparations	15	14	13
Contact lens solutions	6	5	3
Cotton balls	35	34	33
Cotton swabs	56	55	55
Cough & cold salves, ointments	35	34	34
Cough drops	33	31	30
Cough syrups, elixirs, expectorants	20	19	19
Cream deodorants	41	40	40
Denture cleansers	43	40	37
Diarrhea remedies	49	48	47
Eye lotions, washes	41	39	37
Eye makeup products	17	16	14
First aid kits	51	50	50
Gauze bandages	23	22	22
Hair brushes	42	41	41
Hand & body lotions	35	34	34
Hemorrhoidal suppositories	26	24	24
Home permanent kits, refills	33	32	32
Hypoallergenic infant formulas	68	64	63
Liquid douches	32	31	31
Makeup bases	5	4	4
Manicure implements	50	48	47
Medicated shampoo	49	47	47
Men's hair dressing	48	46	44
Menstrual analgesics	43	42	42
Mouthwashes, gargles	46	45	45
Nail enamel removers	21	20	19
Nail polish & enamel	13	12	11
Nipples & pacifiers	42	41	42
Nursing bottles	18	17	17
Pin Curl clips	35	34	34
Razor blades	57	56	55
Reducing preparations	14	13	13
Roll-on deodorants	40	38	36
Routine infant formulas	77	74	74
Sanitary napkins	65	63	63
Stick deodorants	43	37	36
Suntan lotions & oils	17	16	15
Synthetic sweeteners	67	64	61
Tampons	57	55	53
Toothbrushes (non-elec)	31	30	29
Toothpaste	58	57	57
Women's hair dressing & conditioners	45	44	44
Women's hair spray	45	44	44

largest suppliers of private label vitamins and vitamin programs. At present, Hudson supplies private label vitamins to many of the leading retailers nationally.

Private label vitamins now account for some 40% of all vitamin sales. The keys to success with private label vitamins are assortment and price. Hudson offers a complete assortment of the popular vitamin formulas — as many as over 200 SKUs — and supports it with a complete merchandising and pricing program to insure sales and guarantee high margins.

VITA-CENTER:™

The biggest drawback to the effective merchandising of vitamins at retail is department confusion.

No wonder, then, that the consumer is often confused by the proliferation of brands, products, strengths and sizes — and, just as often, chooses to buy her vitamins at a store where some clerk guidance is available.

Hudson has developed an exclusive and innovative merchandising vehicle that at once organizes the vitamin category, simplifying the myriad brands, items and strengths, and succinctly and effectively informs the consumer just what each vitamin is designed to do.

Hudson's Vita-Center is a merchandising and information system that is unique in the vitamin business.

Vita-Center organizes the vitamin category and does so on any existing type of shelving. It is a system of modules which clearly defines vitamin department boundaries, uses signing to identify each vitamin, sets aside a flexible yet permanent location for every product in the department, provides a shelf label and educational statement for each product and, with snap-in shelf flags, tells consumers about featured or promoted vitamin specials.

It helps store employees maintain the department by simplifying reordering and reduction of out of stocks.

Vita-Center doesn't interfere with computer reordering or the use of price-channel information.

Vita-Center is an organizational system, an educational system, a merchandising system, a system that simplifies the consumer purchasing of vitamins.

Vita-Center is an eye-catching display system that uses color to attract the consumer, and can be expanded to an entire nutritional category.

Hudson research found that Vita-Center answers a basic need of all vitamin retailers — a need to organize the department by products and simultaneously provide consumer information on the various products within the vitamin category at the point of sale.

Finally, Hudson offers a generic or custom-printed vitamin/nutrition center sign that clearly delineates the department.

Vita-Center: An innovative organizational departure — exclusively from Hudson Pharmaceutical Corporation.

HUDSON®

Vitamins . . .
Nobody Makes Them Better —
Hudson Makes Them Sell!

Phone or write today — we'll set up a Vita-Center for you, on your present shelves.
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COD LIVER OIL CAPSULES
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VITAMIN A
VITAMIN D
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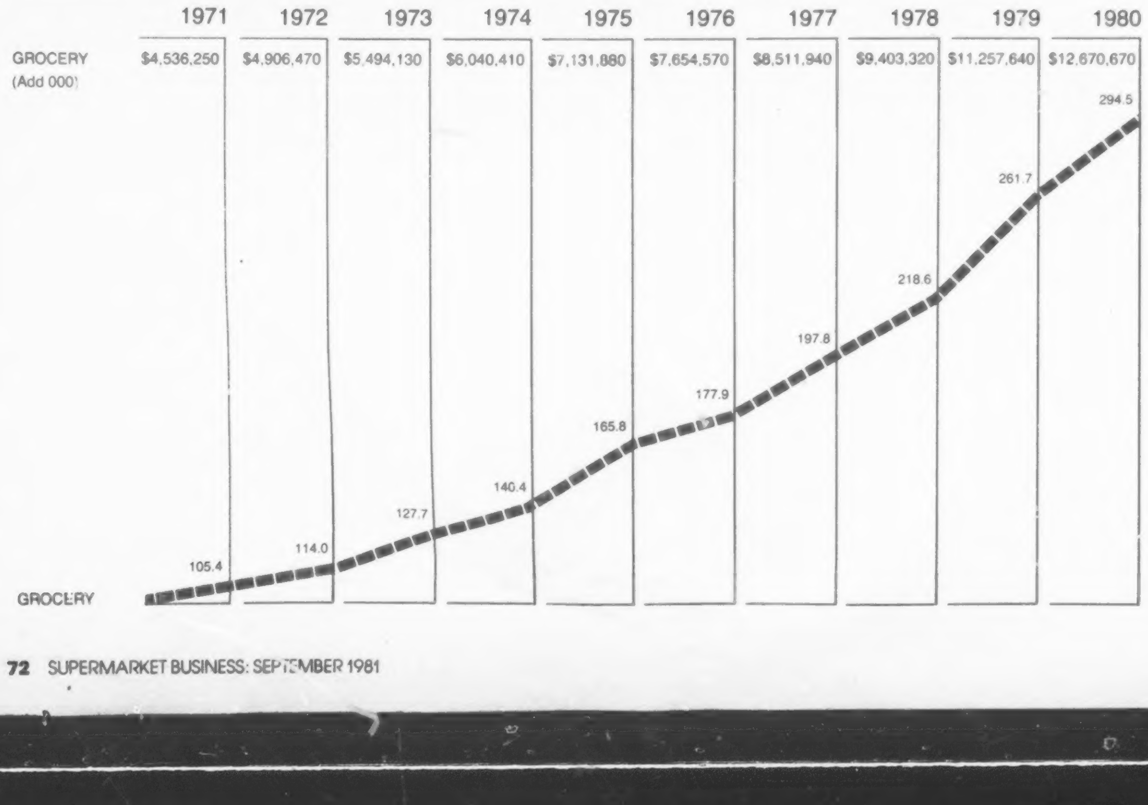
UltraCee
HI-PO-VITES
100 TABLETS
Multi Vitamins
4.88

GM HITS 10.6% OF STORE SALES; BATTERIES LEAD GAINERS

GROCERY STORE CONTRIBUTION TO VARIOUS GM* INCREASES: 1980-1979

*EXCLUDES HBA & Rx	1980 SALES (000)	1979 SALES (000)	'80-'79 SALES INCREASE (000)	GROCERY STORE SHARE OF INCREASE
Magazines & Newspapers				
Grocery stores	$ 897,090	$ 783,920	$ 113,170	20.2%
All outlets	$ 5,687,210	$ 5,127,010	$ 560,200	
Flashlights & Batteries				
Grocery stores	$ 417,750	$ 313,040	$ 104,710	34.4%
All outlets	$ 1,426,100	$ 1,122,030	$ 304,070	
Motor Oil & Additives				
Grocery stores	$ 224,610	$ 185,820	$ 38,790	28.1%
All outlets	$ 1,124,410	$ 986,320	$ 138,090	
Photo Film & Processing				
Grocery stores	$ 476,220	$ 409,570	$ 66,650	28.2%
All outlets	$ 3,625,640	$ 3,389,520	$ 236,120	
Pet Accessories				
Grocery stores	$ 489,930	$ 438,870	$ 51,060	38.3%
All outlets	$ 1,522,580	$ 1,389,100	$ 133,480	
Women's Hosiery				
Grocery stores	$ 534,190	$ 466,770	$ 67,420	22.3%
All outlets	$ 2,777,870	$ 2,475,530	$ 302,340	
Stationery				
Grocery stores	$ 107,690	$ 97,230	$ 10,460	26.4%
All outlets	$ 505,390	$ 465,830	$ 39,560	
Household Glassware				
Grocery stores	$ 118,790	$ 106,360	$ 12,430	11.3%
All outlets	$ 834,940	$ 724,680	$ 110,260	
Greeting Cards				
Grocery stores	$ 175,860	$ 149,540	$ 26,320	9.8%
All outlets	$ 2,405,440	$ 2,138,170	$ 267,270	

GENERAL MERCHANDISE (EXCLUDING HBA) TEN-YEAR INDEX OF SALES 1970-1980



Batteries provided the grocer with a high-voltage boost to his food store profits in 1980, as they charged to the top of our "GM's *Fastest Gainers*" list.

Together with flashlights, they led this year's list with a 33.4-percent dollar sales surge over their 1979 performance.

"The "Flashlights and batteries" category posted food store sales of $417.7 million, or 29 percent of the all-outlet total. This makes the category the sixth largest volume producer in our "Other General Merchandise" group, defined as everything but HBA and prescriptions.

Other $200-million-plus products in this All-Star lineup, in sales volume order, are:

☐ **"Other housewares,"** which includes everything except glassware ($2.43 billion in grocery stores);

☐ **"Magazines and newspapers"** ($897 million);

☐ **"Women's hosiery"** ($534 million);

☐ **"Pet accessories"** ($489.9 million);

☐ **"Photo film and processing"** ($476.2 million);

☐ **"Motor oil and additives"** ($224.6 million).

A closer look at the category topping our "Fastest Gainers" list reveals, of course, that batteries are the heavy-duty performer, producing sales of $393.3 million to flashlights' $24.4 million.

Judging by its recent precipitous sales gain and market share increases by food stores, this compact, easily displayed little profit powerhouse is indisputably an item that belongs on grocers' "What took us so long?" to aggressively merchandise list.

Evidence for this can be found in batteries unit movement as well as its dollar sales boom — which can be misleading, thanks to inflation:

For the 39 markets tracked by SAMI, food store unit movement of dry cell batteries was 93.7 million in 1978, 112.8 million in 1979, and a steep 122 million for 1980.

Units up 19.1

For a recent SAMI 12-week reporting period comparing present movement with the same period a year ago, batteries posted a 19.1-percent unit volume increase.

Better display — many larger stores now put batteries at or near the checkout — as well as the continuing growth of small battery-powered electronics such as calculators, tape recorders, radios and cassette tape players have clearly been a big boost to the category over the past several years.

Grocery stores in 1980 rang up $12.6 billion in "Other GM" sales, and total GM sales of $21.4 billion.

For "Other GM," this is a 12.6-percent volume increase over 1979. When HBA is added in, the total general merchandise increase achieved by grocers becomes 13.2 percent.

Predictably, the largest contributor to "Other GM"'s increase was

Continued on page 75

GM'S* TEN FASTEST '80 GAINERS

RANK	CATEGORY	'80 GROCERY STORE SALES (000)	% INCREASE FROM 1979
1	Flashlights & Batteries	$417,750	33.4%
2	Ballpoint & fountain pens	36,660	21.3
3	Motor oil & additives	224,610	20.9
4	Men's, Boys' Underwear	64,590	20.8
5	Men's Hosiery	33,170	18.9
6	Ballpoint refills	4,270	18.2
7	Greeting cards	175,860	17.6
8	Toys	159,070	16.9
9	Sunglasses	51,260	16.4
10	Photo film** & processing	476,220	16.3

*Excludes HBA & Rx **Excludes movie film

Continued from page 72

its largest category, "Other Housewares." The food store sales increase for this billion-dollar group was $310.2 million, or 22 percent of "Other GM"'s 1980 total food store dollar sales gain of $1.4 billion.

Housewares importance grows

This increase of nearly six percentage points over its 16.4 percent share of 1979's GM gain suggests that housewares are bcoming an even more important part of the supermarket's GM mix.

Other categories which contributed more significantly in 1980 than they did in 1979 to the GM increase are "Magazines and newspapers" (eight percent, up from 5.5 percent); "Flashlights and batteries" (7.4 percent, more than double its 3.4-percent 1979 contribution); "Women's hosiery" (4.8 percent, up from 2.7 percent); and "Photo film and processing" (4.7 percent, up from 3.5 percent).

"All other" contribution dips

These share increases came chiefly at the expense of the "All other GM" category, a group which includes all items not specifically listed on our "*Where the 1980 GM Sales Increase Came From*" table (page 77).

This catch-all group, we recall, has seen plenty of action over the past couple of years, as grocers experimented with new non-food items such as small electrics, jewelry, microwave ovens, cassette tapes, records and beach furniture.

In fact, in 1979, this group contributed over half—53 percent—of the total "Other GM" sales increase. For 1980, however, "All other GM"'s contribution dropped to 37.5 percent.

Reviewing what's happened with the economy and what has happened over the past several years to various companies in volatile cities such as those covered in our "Markets in Flux" series, one can conclude that at least some of these experiments haven't been an unqualified success.

With inflation hacking away at consumers' discretionary income, many turned from the beautiful, full-service, full-line superstore to the limited assortment or warehouse store. The last thing these no-frill, high-volume, low-price units are inclined to stock is something like a microwave oven or a Seiko watch.

As consumer response to the idea of basic items offered at discount prices continued to fuel the box store eruption, many conventional store operators began to switch their approach to the market.

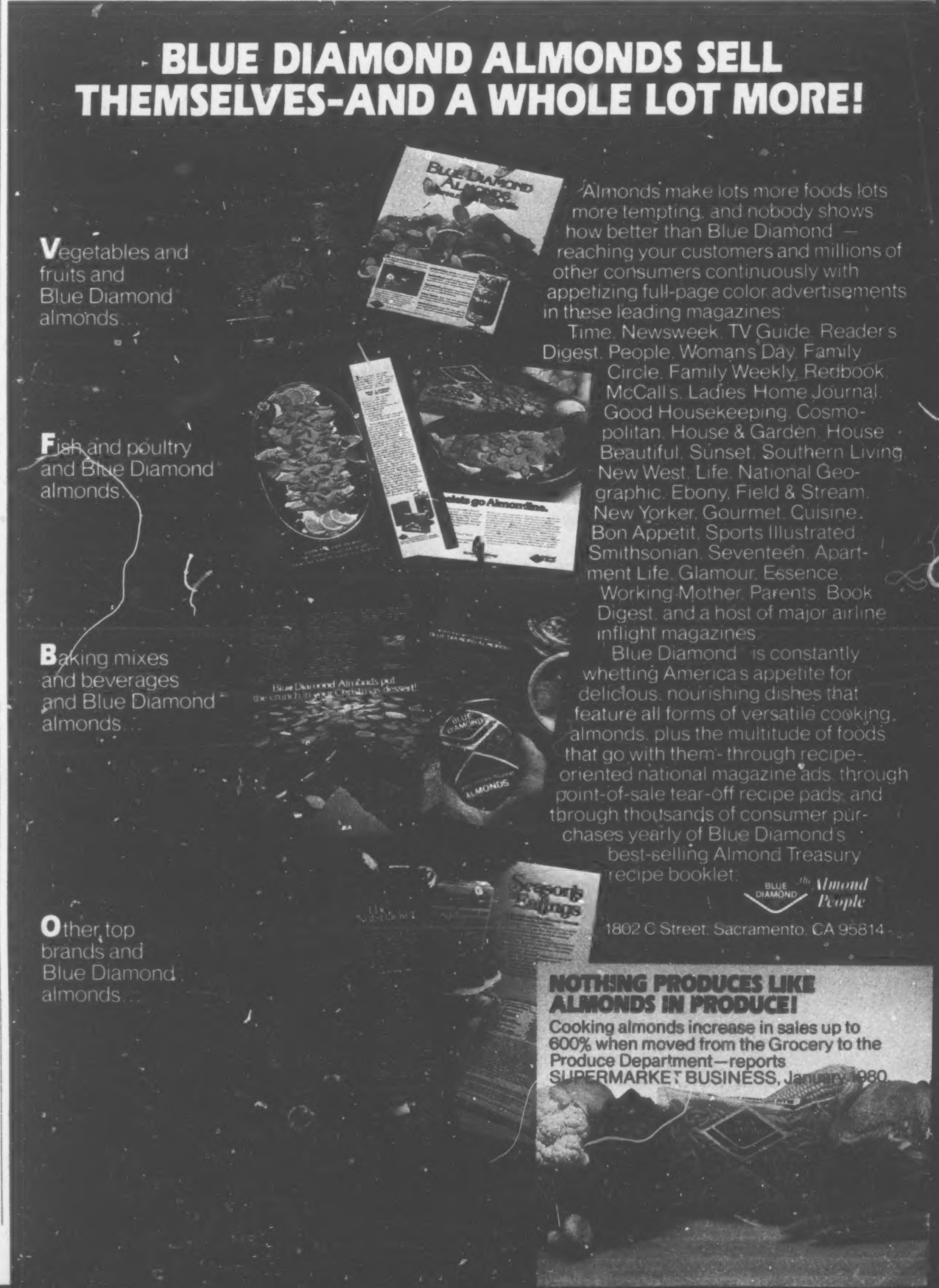
In Kansas City, for example, Safeway had been building gorgeous superstores carrying such "Other GM" items as T.V. sets and stereos. But when the box store

Continued on page 77

INCREASES IN GROCERY STORE MARKET SHARE FOR GM*

	1980	1979	1978
Flashlights & Batteries	29	28	26
Magazines & Newspapers	16	15	15
Motor oil & additives	20	19	14
Notebooks	21	20	19
Pet Accessories	26	25	25
Photo film & processing	13	12	11
Shoe laces (replacement)	59	58	60
Writing Implements	12	11	11

*Excludes HBA & Rx.



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Vegetables and fruits and Blue Diamond almonds...

Fish and poultry and Blue Diamond almonds...

Baking mixes and beverages and Blue Diamond almonds...

Other top brands and Blue Diamond almonds...

Almonds make lots more foods lots more tempting, and nobody shows how better than Blue Diamond — reaching your customers and millions of other consumers continuously with appetizing full-page color advertisements in these leading magazines:

Time, Newsweek, TV Guide, Reader's Digest, People, Woman's Day, Family Circle, Family Weekly, Redbook, McCall's, Ladies Home Journal, Good Housekeeping, Cosmopolitan, House & Garden, House Beautiful, Sunset, Southern Living, New West, Life, National Geographic, Ebony, Field & Stream, New Yorker, Gourmet, Cuisine, Bon Appetit, Sports Illustrated, Smithsonian, Seventeen, Apartment Life, Glamour, Essence, Working Mother, Parents, Book Digest, and a host of major airline inflight magazines.

Blue Diamond is constantly whetting America's appetite for delicious, nourishing dishes that feature all forms of versatile cooking almonds, plus the multitude of foods that go with them - through recipe-oriented national magazine ads, through point-of-sale tear-off recipe pads, and through thousands of consumer purchases yearly of Blue Diamond's best-selling Almond Treasury recipe booklet.

BLUE DIAMOND The Almond People

1802 C Street, Sacramento, CA 95814

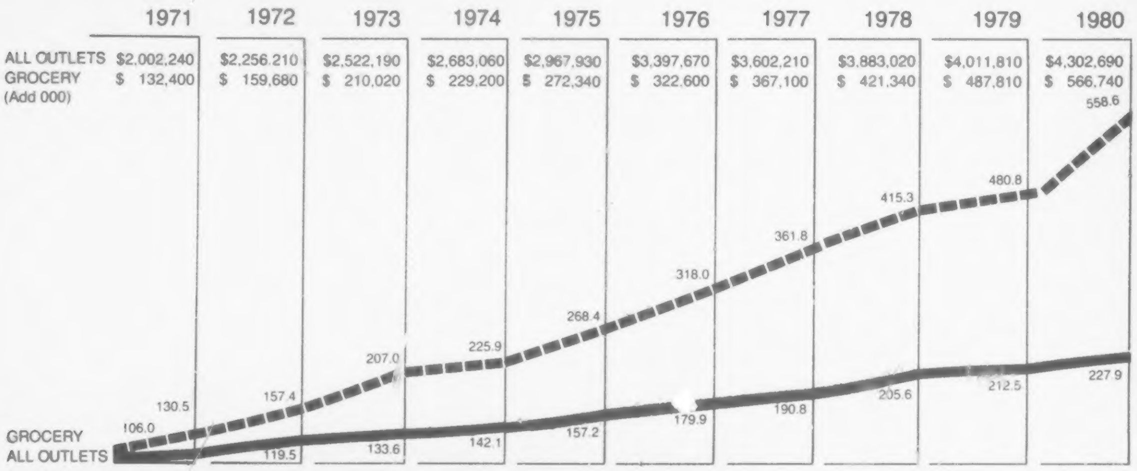
NOTHING PRODUCES LIKE ALMONDS IN PRODUCE!

Cooking almonds increase in sales up to 600% when moved from the Grocery to the Produce Department—reports SUPERMARKET BUSINESS, January 1980.

PHOTO SUPPLIES* 10 YEAR INDEX OF SALES 1970-1980

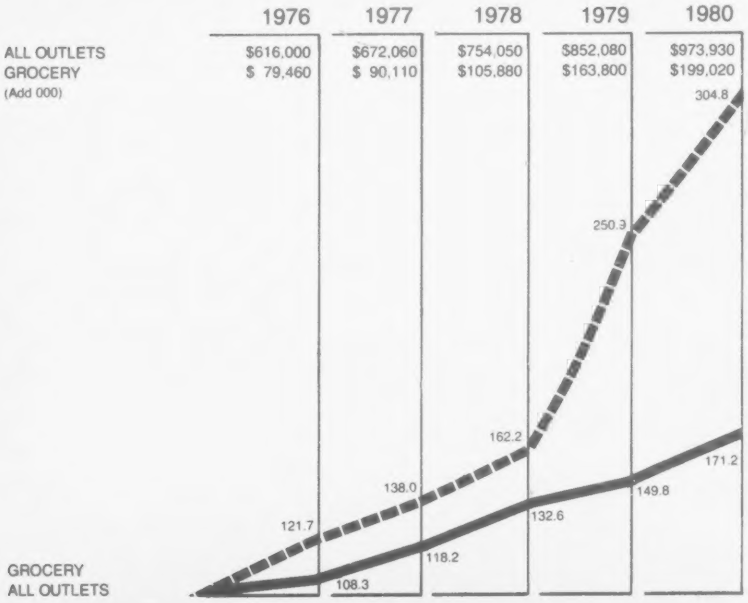
BASE YEAR—1970 = 100.0%

*Includes photo film processing, and flash bulbs and cubes. Excludes movie film.



MOTOR OIL 5 YEAR INDEX OF SALES 1975-1980

BASE YEAR—
1975 = 100.0%



Continued from page 75

bazooka tore a hole in its market share, Safeway instead began opening Food Barns, its own version of the limited assortment store.

Many of the box stores such as Kansas City's highest volume supermarket, the $400,000-a-week, 28,000-square-foot Olathe Food-4-Less, however, do stock such basic houseware items as can openers, vegetable peelers, cooking utensils and baking supplies.

In the market share arena, the 1980 CES shows grocers increasing their share of several GM items' total all-outlet market, though food stores have done far better with HBA by this measure:

In the HBA categor[illegible]s can be seen by a glance at [illegible] increases *in Grocery Store Market Share for HBA"* table on page 71, grocers boosted their market share one to six points for fully 54 products.

In GM, an encouraging if hardly electrifying one-point gain in market share was posted by food stores for eight categories — flashlights and batteries, magazines and newspapers, motor oil and additives, notebooks, pet accessories, photo film and processing, shoelaces, and writing implements. (See "*Grocery Store Market Share Increases for GM*" table, page 75). ■

WHERE THE 1980 GM* SALES INCREASE CAME FROM

		SALES INCREASE OVER 1979 (000)	% OF TOTAL GAIN
1	Housewares	$ 310,290	22.0%
2	Magazines & Newspapers	113,170	8.0
3	Flashlights & Batteries	104,710	7.4
4	Women's Hosiery	67,420	4.8
5	Photo Film & Processing	66,650	4.7
6	Pet Accessories	51,060	3.6
7	Motor Oil & Additives	38,790	2.7
8	Greeting Cards	26,320	1.9
9	Toys	23,000	1.6
10	Household Glassware	12,430	0.9
11	Photo Flash Bulbs & Cubes	12,280	0.9
12	Men's, Boys' Underwear	11,120	0.8
13	Stationery	10,460	0.7
14	Writing Implements	10,200	0.7
15	Sunglasses	7,220	0.5
16	Men's Hosiery	5,270	0.4
17	Garden Seed Packets	5,020	0.4
18	Disposable Cigarette Lighters	3,430	0.2
19	Vacuum Bottles, Jugs	2,840	0.2
20	Shoe Laces (replacement)	1,110	0.1
	All other GM	530,240	37.5
	TOTAL GAIN	**$1,413,030**	**100.0%**

*Excludes HBA & Rx

FOCUS ON PET NEEDS

NEW PRODUCT STRENGTH SPARKS 'DOG FOOD EAT DOG FOOD' BATTLES

Despite an unsteady economy, Americans' devotion to their pets is keeping pet food an expanding and profitable category in supermarkets across the country.

Anthony Petrillo, grocery buyer for the 34-store Mayfair Super Markets chain (Elizabeth, N.J.), comments: "I read an article recently that said people were getting rid of pets because they just couldn't afford to feed them. If this is true, it hasn't been reflected in sales, not yet anyway."

> "It's first to vanish when bad weather threatens. People always take care of their pets."

He adds: "Pet food is the first category to disappear from grocery shelves with signs of impending severe weather or strikes. People always take care of their pets first."

Though pet food prices have risen to keep pace with inflation, sources on the West Coast claim that higher prices have proved no deterrent to sales. "We tend to spoil our pets in Southern California," chuckles Karla Thomas, buyer for Albertson's Food Centers out of Dublin, Calif.

Marked increases in dry pet food sales last year are perpetuating a trend noted in SB last September. Generics continue to lead the increases for many chains. Shaw's Super Markets (East Bridgewater, Mass.) is noting a decline in national brand sales, while moving tremendous amounts of generic dry dog food through its 37 supers in Maine, Vermont and New Hampshire.

Says buyer Ray Kaplan, "We sell our generic 25-pound size for $4.19 instead of the $7 to $7.50 you'd pay for national brands in stores about town. That's a big savings."

Furr's (Lubbock, Tex.) buyer Joe Self reveals: "We sell between 1,700 and 2,000 bags a week of our best-selling brand in the 25-pound size. But our generic version sells double that volume."

Mayfair's Petrillo noted an additional surge in dry food sales during the summer months. This he attributes to pet owners who leave their pets alone while on vacation.

"Some people who usually buy canned or semi-moist switch to dry food in summer," he suggests. "It doesn't spoil if they're gone for a few days."

Larger sizes of dry dog food are the best sellers and the biggest gainers, with most buyers naming the 25-pound size the most popular. The 22-ounce boxes of dry cat food were cited as most in demand. However, Albertson's Thomas noted substantial increases in sales of three-and-one-half pound bags.

Semi-moist sales continue to lag, many buyers agreed, though manufacturer promotions have kept them profitable for some retailers. Furr's buyer Joe Self reported declining sales, but Mayfair's Petrillo considers it a growth area.

"Sales of semi-moist are still increasing, though not at the rate of dry dog food," he said. "Heavy advertising by General Foods of Gaines Burgers and Top Choice in recent months has helped these products hold their own," adds Shaw's Kaplan.

Canned foods continued to lose ground in total sales and market share in 1980. Buyers depend on heavy manufacturer support to maintain profits in this area.

General Foods offers a continuous allowance on canned Cycle varieties, and this appears to be a popular strategy to bolster the canned lines of many national manufacturers. Others, such as Alpo beef flavor, offer intermittent deals. Kaplan reports that Shaw's hasn't featured pet foods in its advertising for seven years, but explains: "We reflect any allowances and deals in our pricing policy and extend the feature as long as we can. This way, our customers don't feel they have to stock up on items they don't need. They know they'll find the same low price next week. We feel we can build customer loyalty this way."

Consumers are taking advantage of manufacturer promotions directly, as well. "Coupons are popular with consumers," states Albertson's Thomas. "We're seeing a higher redemption rate than ever before."

No new stars appeared in the pet snack area in 1980, though the category itself is doing well. Last year, Purina's Bonz was launched with an intensive promotional campaign, and sales took off spectacularly. This year, sales have been steady, but show little or no growth. Furr's Self believes customers tried Bonz last year, but have since returned to the old standbys. Kaplan agrees: "At Shaw's," he says, "Bonz is holding its own, but Milk Bone is ahead four-to-one over all the other products of this kind."

Other recently introduced snacks include a variety of jerky-type treats. No one manufacturer has cornered the market on these items. Consumer interest, in any case, has been mild at best.

Nine Lives has brought out a semi-moist cat food in cans which is doing well in some Eastern markets. This may prove to be a way to reconcile cat owner's desire to buy more dry food and their pets' reluctance to accept such austerity measures.

The number of new products introduced each year continues to be high. Buyers, as usual in this category of winners, continue to try most new offerings.

"Manufacturers promote most new products so heavily that we can't afford *not* to pick them up," notes Furr's Self. He estimates that Furr's acquires eight to 10 new products each year, and that consumers would see 50 to 60 percent of these on store shelves a year later.

Other chains are offering even more new items. A buyer for a large Midwest chain adds 15 to 20 items per year; First National introduces 25 to 30.

Faced with the staggering costs of these megabuck introductory campaigns, some manufacturers are beginning to rethink their new product policies, however, buyers suggest:

"Ralston-Purina has slowed its pace of new product introductions," Shaw's Kaplan claims. A buyer for an Indiana-based chain explains: "Heavy advertising at the outset almost guarantees the initial success of a product. Then, just when it seems to have carved out a market share, the manufacturer cuts back on advertising to show a profit. Of course, the next new product being heavily advertised bumps it into oblivion."

This "dog-food-eat-dog-food" phenomenon is becoming painfully apparent to many manufacturers now, especially when one of their own products is discontinued to make room for another. This type of lateral progress happened this year to Ralston-Purina, when one of its own new intros replaced its Mainstay line on Shaw's Super Market shelves.

Extension of product lines, rather than introduction of new items is the alternative many manufacturers continue to test. A new flavor of an established brand continues to be a frequent sight on the grocery store shelf, as it's far cheaper for the manufacturer to "piggyback" on a previous ad campaign.

Lack of space is, if possible, pinching harder this year.

"We have to drop one slow item for each new item," says Albertson's Thomas.

At Shaw's, Kaplan tries to maintain as large a selection as possible by offering different brands and flavors in different sizes.

"Of course, the space problem is still there," he laments. "Often, a customer will want to buy the 25-pound size of an item we only carry in the five-pound size. Then with the next customer and another product, it's the other way around." ■

PET FOODS TEN-YEAR INDEX OF SALES 1970-1980 BASE YEAR—1970 = 100.0%

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
ALL OUTLETS	$1,138,180	$1,243,570	$1,483,980	$1,802,330	$2,066,280	$2,417,320	$2,592,470	$2,815,080	$3,152,620	$3,517,270
GROCERY	$1,069,030	$1,197,370	$1,413,480	$1,698,290	$1,946,600	$2,258,060	$2,415,500	$2,606,840	$2,886,810	$3,228,170
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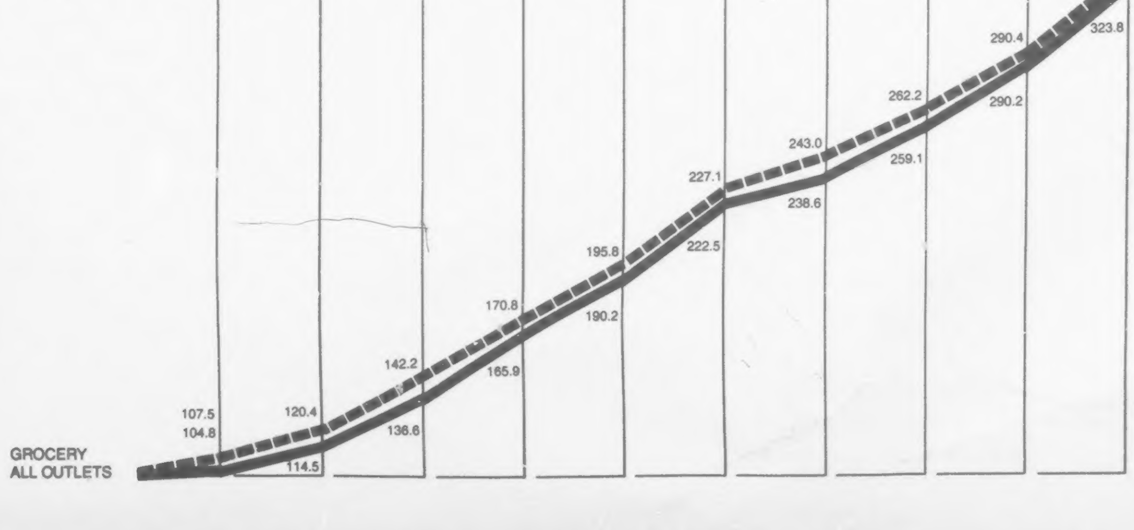

BIRTH "BOOMLET" BOOSTS BABY FOOD SALES 16.2%

The mini-baby boom in progress today has made its impact on the supermarket. Children who were born in the Fifties baby boom are now becoming parents themselves and are buying baby food and baby products in increasing quantities. Supermarkets are building larger sections and offering more extensive product lines to meet the growing demand.

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90
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Luvs

Baby food sales in supermarkets were up 16.2 percent for 1980 over 1979, compared with a 10.3-percent jump for 1979 over 1978.

Total sales of baby foods in supermarkets were $1.05 billion. This is 85 percent of the total U.S. market, and a jump of one percentage point from 1979. Routine infant formulas and hypoallergenic formulas were the biggest gainers, with supermarket sales up 26.3 and 31.3 percent respectively.

Baby products likewise showed healthy sales increases. Baby powder registered a 21.9 percent gain in supermarkets in 1980.

Plastic nursing bottles were up 16.9 percent, more than making up for the glass nursing bottle sales drop of 4.3 percent.

Supermarkets account for 38.8 percent of domestic sales of baby oils and lotions, baby pants, baby powder and cotton swabs. Supermarkets also sell 42 percent of nipples and pacifiers, up a percentage point from 1979.

Irwin Tantleff's new Foodtown (Deer Park, N.Y.)—which opened in March of this year — included the mini baby boom in its merchandising plans. The store was fitted out with a 52-linear-foot combined baby food/baby products section. It includes full lines of Beechnut and Gerber baby food, full assortments of Luvs, Pampers, Huggies and private label disposable diapers, the major brands of infant formulas in both single pack and bulk quantities, bottles and nipples, and baby shirts, pants and dishes. The section also includes generic baby powder, shampoo, oil and petroleum jelly, as well as a baby toys section. Also on the aisle is a children's toy section.

Layout is horizontal

The combined baby food/baby product section is merchandised horizontally, with diapers and bulk quantities of infant formulas occupying the bottom half of the section. Baby food and other baby products are on the top half. Joe Latino, store manager for the Deer Park Foodtown, explains that the horizontal design was utilized to focus customers' attention on the small baby food jars and baby products that can easily be overlooked in a vertical layout. Facing the section, Gerber baby food is on the top left and Beechnut is on the top right, separated by a baby products section that includes baby shirts, pants, and dishes. Disposable diapers, which run almost the full length of the section, are arranged by brand. Bulk quantity packages are on the right hand side of the section.

"Baby food is not a price football," says Latino. With this in mind, the Deer Park Foodtown tries to offer the widest possible product and package size selection. The store itself is heavily service oriented. The baby foods/baby products section is part of that. "The two most important things in this section," says Latino, "are variety and availability."

Maintaining selection

Some retailers carry only one of the two major baby food brands, Gerber and Beechnut, but Latino feels that it's important to offer both. He explains that a good number of customers won't substitute brands, so even though the two brands duplicate each other in many cases, he offers both.

To maintain availability, the section is packed out three times a week by the baby food manufacturers, in addition to regular warehouse deliveries. When the store first opened, there were only two pack-outs per week but it wasn't enough. "There's a fast turnover in this section," says Latino, "and you have to keep up with it."

Not an impulse buy

Baby food and baby products are not advertised at the Deer Park Foodtown. According to Latino, baby food customers are well informed about the product and have definite ideas about what they want. Since they already know what they want to buy, advertising is pointless. So Latino concentrates on providing wide selection and making sure that the product is available.

So far, the section has performed up to and beyond expectations. Latino said that another four-foot section of baby food is planned. "The demand is there," he says, and we just have to keep up with it." ■

BABY FOODS* TEN-YEAR INDEX OF SALES 1970-1980 BASE YEAR—1970 = 100.0%

*Excludes formulas and cereals

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
ALL OUTLETS	$350,480	$361,980	$392,860	$451,020	$483,160	$539,130	$577,820	$620,850	$684,090	$753,860
GROCERY	$328,060	$348,930	$380,120	$423,340	$458,050	$500,190	$5[illegible],200	$565,700	$623,970	$693,860
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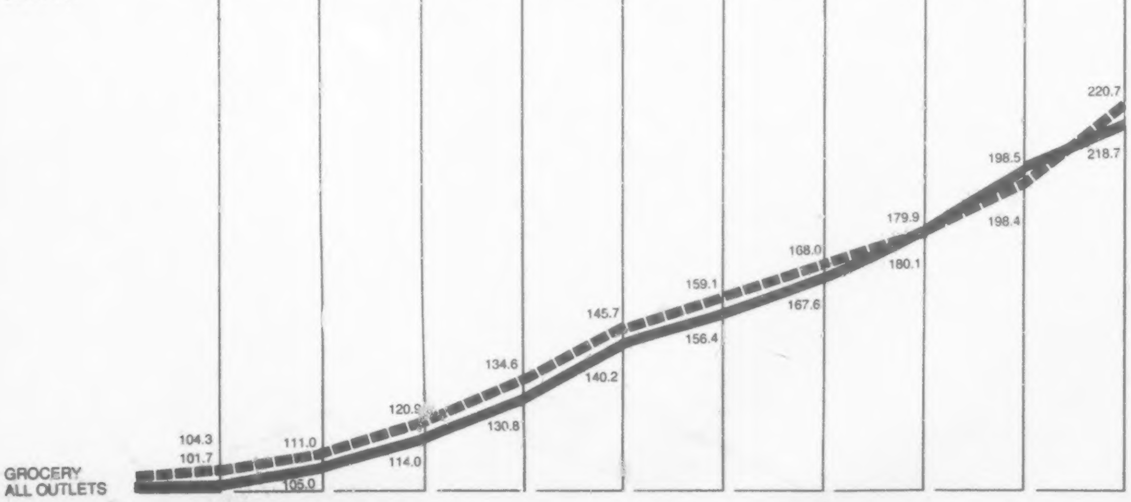


LOW-TARS FUEL CIGARETTE SALES GAIN

The cigarette section continued its quiet but effective contribution to supermarket sales in 1980.

The category that almost no supermarket advertises and not all supermarkets promote grew 11.6 percent, while total domestic sales were up 9.7 percent.

Supermarkets now account for 44 percent of total domestic sales, up one percentage point from 1979. In 1980, cigarettes were 3.24 percent of total store sales and 13.86 percent of non-foods sales.

Domestic sales of cigars, however, were down 4.5 percent; supermarket cigar sales were off 3.6 percent.

> "Making sure your customer doesn't have to walk a mile for a low-tar cigarette can boost your profit picture."

Pipe and chewing tobacco registered moderate sales gains of 8.4 percent overall and 8.7 percent in supermarkets.

Low tars gain

The spectacular growth of low and ultra low tar cigarettes remains the main story behind the moderate unit growth of the category, which reached 618.6 billion cigarettes in 1980, according to figures from John C. Maxwell, Jr., Lehman Bros. Kuhn Loeb. Tobacco industry projections put the total for 1981 at 624 billion cigarettes. From 11 percent of the market in 1971, the low tar segment (defined as brands with 15 mg of tar or less) now commands nearly half of the market — and Brown and Williamson projects that by 1985, the low-tar segment will reach 66 percent.

Equally impressive is the growth of the ultra-low tar segment (defined by Maxwell as six mg of tar and below). In 1979 it was six percent; in 1980, 8.1 percent; and in the first two quarters of 1981, ultra-low tar commanded 10.1 percent of the market, according to Maxwell.

The vast majority of new cigarette introductions in 1980 — 11 in all — were in the low tar category. In 1981, in which 17 new cigarettes have already been introduced, the same is true. What does this mean for the retailer? A vast amount of promotional support and multiplying SKU's.

Brand proliferation continues

With 180 brands and line extensions on the market and more to come, SKU's remain a pressing problem for retailers. Most retailers surveyed by SUPERMARKET BUSINESS indicated that they had increased slightly the number of brands they carried. Many already stock well over 100 brands and brand styles. (One manufacturer recommends carrying 120 packings in order to accommodate 98.5 percent of cigarette customers.)

A number of retailers indicated, however, that they wanted to hold the line on the proliferation of SKU's. Some report using a one-in, one-out system when deciding whether to carry a new brand. One retailer requires a brand to sell at least two or three cartons per store a week.

However, the wealth of new product introductions can make such a policy risky. Particularly since vending machines can't and don't carry many of the newer low-tar cigarettes, smokers who want them must buy them at supermarkets or other outlets.

And as the low-tar segment grows, the retailer who doesn't make room for the new brands may be losing sales at an increasing rate.

Tobacco distributors are often willing to handle lower-volume brands and less-than-carton inventories for those retailers who receive cartons from a central distribution center.

Aware of the wealth of promotional dollars available — the introduction by Brown and Williamson of *Barclay* was supported by a $150-million dollar campaign — all retailers indicated they were willing to take on new product introductions. Most said they would take *any* new cigarette for a trial period.

Some chains, however, are committed to carrying almost all cigarettes that become available. According to David McProud, buyer for Dillon Stores (Hutchinson, Kan.), "We very rarely drop a new cigarette, and we carry just about everything — we try to satisfy everyone."

End-cap vs. in-line gondola

The placement of carton displays remains an unresolved issue in cigarette merchandising. The standard carton merchandiser, of course, is the gondola end-cap located at the front of the store. Retailers surveyed by SB indicated that for the most part they preferred the end-cap — largely because it keeps cartons in plain view of the checkout.

For a number of years, however, Philip Morris has been promoting the "compact/impact" merchandising program which consists of positioning cartons in-line on gondola shelving. Philip Morris maintains that in-line merchandising can increase carton sales and reduce inventory, with no shrink increase. Brown and Williamson also recommends in-line gondola shelving for cigarettes.

An advantage of gondola shelving is that the section can be expanded to accommodate new cigarette products. A number of chains have implemented in-line cigarette merchandising and others are testing the concept.

Barbara Schubert, cigarette buyer for Shaw's Supermarkets (East Bridgewater, Mass.), reports that Shaw's is conducting a test of the program in one of its stores in order to see if pilferage will be a problem.

R.J. Reynolds, on the other hand, maintains that a 5.5-ft. end-cap merchandiser produces 2.5 to four percent higher sales than in-line fixtures and that 15 to 18 feet of gondola space is needed to merchandise the same number of cartons.

Self-service front end?

Single pack sales also remain a somewhat controversial issue. A majority of retailers surveyed favor self-service racks at the front end and several pointed out that installing the racks in their stores had increased sales and total gross margin, since the margin on single packs is higher than cartons. Cigarettes are the leading sales item at the checkout, comprising 66.6 percent of front-end sales, according to Brown and Williamson.

The traditional speedrack at the checkout has, in many cases, become too small to accommodate the growing number of brands, and many stores are turning to free standing "spinner" racks to merchandise cigarettes at the front end. Besides holding more product, these racks help eliminate the confusion caused by checkers having to call for a pack that her rack is out of.

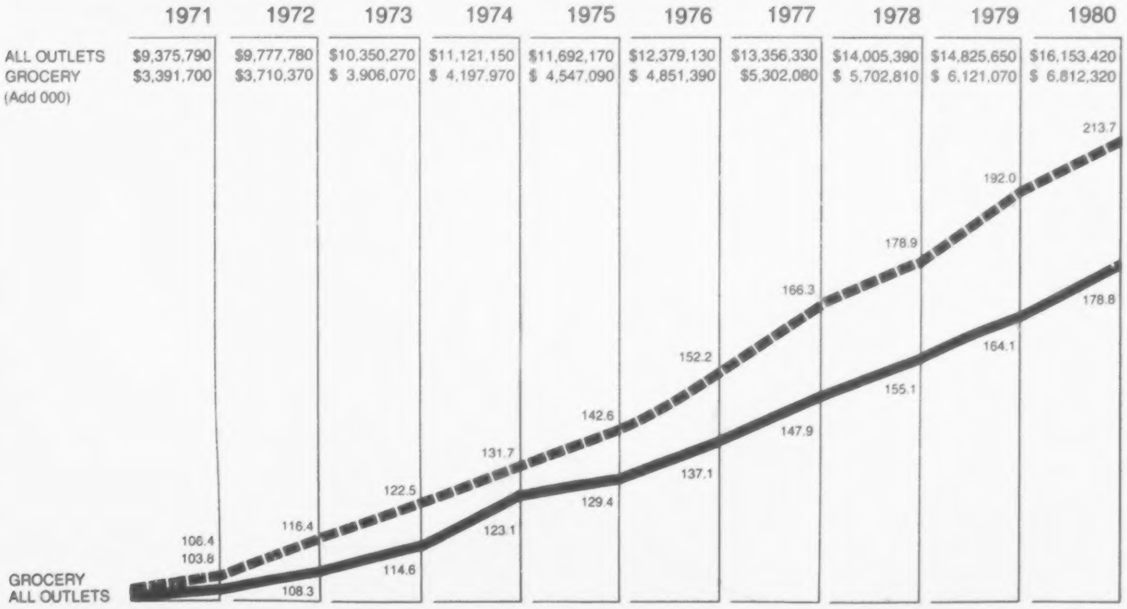
Still, many retailers expressed concern about single pack pilferage. Charles Fisher, director of drug merchandising for Family Center, Inc. (Atlanta) said that while the company had introduced small racks for cigarettes at the checkout, most packages were still located in the photo department. "It helps prevent pilferage, and we hope it'll introduce people to our photo department," he said.

Hard numbers on pilferage

The actual amount of shrinkage in the cigarette department is becoming clearer with increased statistical monitoring. The 18th Annual Report on Shoplifting from Commercial Service Systems Inc. (Van Nuys, Calif.), a report based on data from shoplifting apprehensions, says that cigarettes were recovered in 9.3 percent of apprehensions in supermarkets. By contrast, health and beauty aids were recovered in 9.1 percent of apprehensions and fresh meat in 15.3 percent. Cigarettes were 4.47 percent of the total value of all supermarket merchandise recovered in 1980. Scanner equipped supermarkets

Continued on page 85

TOBACCO PRODUCTS TEN-YEAR INDEX OF SALES 1970-1980 BASE YEAR—1970 = 100.0%



	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
ALL OUTLETS	$9,375,790	$9,777,780	$10,350,270	$11,121,150	$11,692,170	$12,379,130	$13,356,330	$14,005,390	$14,825,650	$16,153,420
GROCERY (Add 000)	$3,391,700	$3,710,370	$ 3,906,070	$ 4,197,970	$ 4,547,090	$ 4,851,390	$5,302,080	$ 5,702,810	$ 6,121,070	$ 6,812,320

"In 1981, so far, 17 new cigarettes have already been introduced, bringing a vast amount of promotional support and multiplying SKU's."

Continued from page 82

will, of course, supply pilferage information on an individual basis.

Most retailers surveyed indicated that pilferage was a major concern and an important factor in merchandising decisions. One retailer noted, however, that while they did not have a real problem with small scale pilferage, in one instance thieves posing as salesmen came into a store, cut the chains holding down the frond-end racks, and attempted to walk out with them. Fortunately, they were caught.

All of the retailers surveyed by SB said that they had installed tobacco centers in their stores, containing pipe tobacco, cigars, and smoking supplies.

Chewing tobacco sales, which had been growing substantially in the past several years, grew only .6 percent in the first quarter of 1981 (sales grew 7.1 percent a year earlier) according to the U.S. Dept. of Agriculture, but retailers who carry the chaw seem still to be pleased with its performance.

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Generic cigarettes grow

Brand loyalty has been a byword of the cigarette industry for some time, but the recent success of low tar brands — achieved partly by smokers trading down from higher tar brands — suggests that brand loyalty is not as strong as it once was. The advent of generic cigarettes and their success in taking a healthy share in some markets is another indication that some smokers are willing to make a switch.

A number of retailers have reported good results with the black and white pack, which generally sells for 10 cents less a pack and a dollar less a carton than national brands. Jay Arbin, grocery buyer for Smith's Management Corp. (Salt Lake City) reports that generics have captured 15 percent of all cigarette sales in his stores (Smith's carries generics in Kings and 100's). Arbin says that this figure has remained steady for the past year. "They started fast, got a good share of the market, and they're holding their own," he says. Shaw's Supermarkets reports that generics are two percent of cigarette sales, but that it expects that percentage to increase. The major manufacturer of generic cigarettes is Liggett and Myers. None of the other five major manufacturers have plans to get into generics. "But I guess that'll depend on just how well generics do," said a spokesman for another major manufacturer.

Cigarettes have been the focus of a great deal of legislation on the federal and state level. As the experience of Ohio retailers bears out, a close watch on such legislation is necessary. A bill that would have outlawed any sign, poster, placard or similar device being used to advertise cigarettes that could be seen from any public place — including streets and sidewalks — was considered in committee by the Ohio House of Representatives.

The bill would have made window signs illegal. Since many stores have check-out areas visible from the outside, the bill would have challenged the legality of counter displays and racks that bear a particular brand name. The committee voted 7 to 6 to remove the language concerning cigarette advertising, and amended the bill so that it now only forbids sale and distribution of tobacco products to persons under eighteen. Other states, however, might consider similar bills.

Most retailers want their cigarette sections to have a low profile. Cigarette advertising in store features remains almost non-existant. Some retailers indicated that they will occasionally advertise generic cigarettes as a part of a generic feature ad, but none advertises national brands.

Most retailers are willing to take on manufacturer promotions, but some specifically excluded *any* promotions.

With an average of 30 turns a year, cigarettes are a non-food profit leader and likely to remain so. Unit sales are still growing. As a primary outlet for cigarettes, supermarkets stand to gain from that growth. Yet, the market is changing.

Not very long ago, a lot of supermarkets were selling cartons from vending machines and locking up single packs in service racks.

Now, as pilferage surveys demonstrate, the problem is less of a problem, and more retailers are letting self-service increase their sales. Also, retailers are more willing to stock a greater number of brands to satisfy customers. The supermarket where cigarettes remain out of sight and out-of-stock may be losing sales — and customers — to the store next door. ■

PROMOTIONS AT SMITH'S FOOD KING BOOST FROZENS' SALES 20%

Putting store clerks squarely into the frozen food business, showing them the importance of their contribution to the overall sales picture, then providing the incentive to get involved — were all factors that helped build a fire under the frozen food category at 45 Smith's Food King stores in California and Nevada.

During a new 13-week promotion, case movement last year was up six percent, while dollar sales marched ahead more than 20 percent. This is double the industry sales increase for 1980 over 1979, according to the SUPERMARKET BUSINESS Consumer Expenditure Study. This increase was 10.4 percent, for a total of $12.8 billion.

"Since we are looking at between 22-30 percent gross profit from the department, it just made sense that we give it the attention it deserves," said head grocery buyer Fred Ries.

Last year Ries set out to upgrade the prestige of frozen food jobs in his stores. Meeting with frozen food clerks in a seminar atmosphere, Ries made comparisons of their and other store departments. He fed them the dollar figures, and interpreted the percentages.

The grocery buyer explained how one house label 12-ounce frozen orange juice produced more gross profit dollars than the entire dry and liquid bleach sections; more profit than all the paper goods sold; more profit than all the diet foods put together.

Clerks weren't the only ones taking part in the sessions. Managers were there too. Said Ries: "It's one thing to have a clerk who wants to do the job, and something else to have the manager give him the hours it takes.

"If the frozen food department requires 24 hours to stock and the clerk only gets eight hours, then you know that nothing is going to happen. Clerk enthusiasm will last for about one week."

Ries' get-together with store personnel was strongly tied in with the company's first frozen food sales contest in California and Nevada stores — patterned after what Smith's Salt Lake City, Utah division had done earlier.

To guarantee fairness for all the participants, the contest was judged on *percent* of retail dollar increases during the 13-week promotion. That way, the bigger stores didn't hold an advantage over smaller ones.

Every week for 13 weeks, bulletins listing the relative standings were sent to the stores, keeping everyone's interest focused on frozen foods. Clerks were encouraged to keep the cases filled, and to hang company-made POS signs in the frozen food section.

Included in these sign prompters were "Frozen Foods Are To Cooking What Paper Plates Are To Dishwashing," and "Ready To Eat Faster Than A Waitress Can Service You."

Color, black and white TV, and stereos were among prizes that went to both store managers and frozen food clerks in the winning stores. There were awards for first, second, third, and fourth place.

"Let's say a store was in seventh place part of the way into the contest. Probably it couldn't make the jump to first place, but the people could see the chance of moving into fourth place. We learned that this kept more stores interested all the way through," explained Ries.

Smith's recently finished its second frozen food contest, and when SUPERMARKET BUSINESS talked with the grocery buyer, results were still being tabulated.

A similar contest is slated for mid-September, and this, like the one before, will start with a new sales base. Again, the goal is another 10-percent boost.

Ries figures that two contests a year, during summer and fall — totaling 26 weeks — will keep people motivated. Just a year ago frozen foods, including ice cream, represented seven percent of grocery sales. Today, the category is almost 10 percent of the business.

Advertising of frozen foods, "Something we didn't used to devote a lot of space to," has been an additional sales propellent for the department. Ries noted that a full page ad for frozen food in a direct mailer, featuring as much as 20 items, does get results.

Particularly successful in his memory, was a recent three-way promotion in which the ad price was left on the items a full three weeks. Some 2,000 cases of product were sold, compared to normal movement of 500 cases.

Commenting on sales trends, Ries noted that branded vegetables with glazed and butter sauces have declined. It's the same with sweet goods/pastries. "But private labels are holding their own," he said, "and some of them are even increasing."

In some cases, price seems no object. Frozen pizza for example. In this category, probably as much as 75 percent of the sales are rung up with the better quality items.

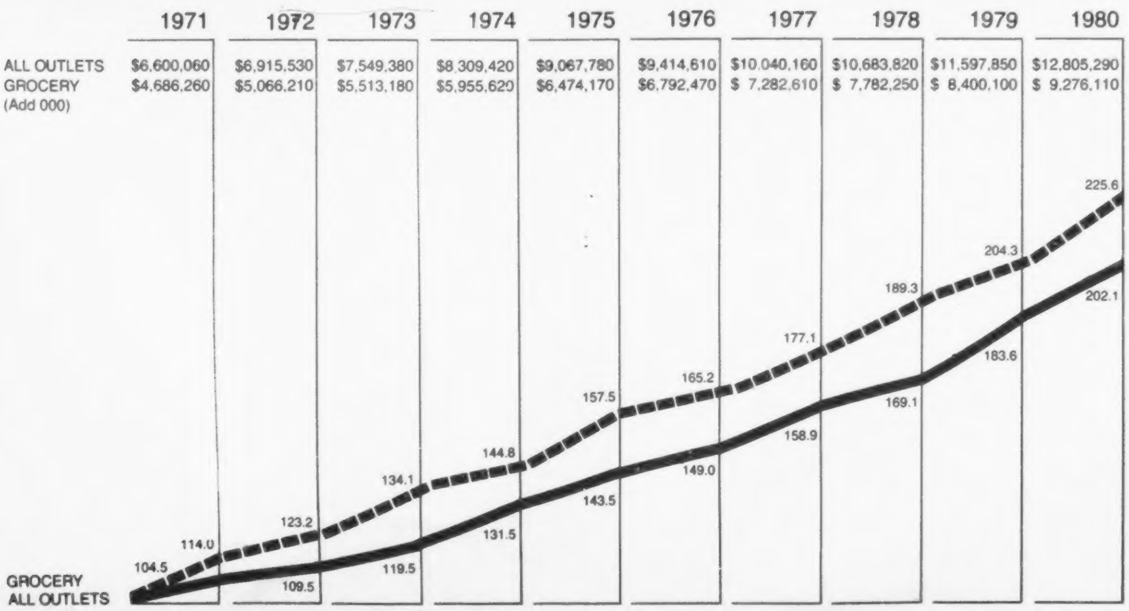
Generics, a part of the mix for less than a year, are said to be doing well. Pot pies, bagged vegetables, potatoes, corn on the cob and other items are set in four- or six-foot sections of the case, all by themselves. And Smith's is actively looking for additional items.

"As we could have expected, generics didn't hurt brand sales in the affluent areas," reported Ries. "What did surprise us though, is that generics didn't even dent the brand names in low income communities either."

Resetting all frozen food cases in the chain every year is a Ries goal. And he offers three good reasons for doing so: "It's a way of determining that everything authorized is being carried — seeing that equipment is operating properly — and showing the clerks that we really do care about the department." ■

FROZEN FOODS TEN-YEAR INDEX OF SALES 1970-1980

BASE YEAR—1970 = 100.0%



(Add 000)	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
ALL OUTLETS	$6,600,060	$6,915,530	$7,549,380	$8,309,420	$9,067,780	$9,414,610	$10,040,160	$10,683,820	$11,597,850	$12,805,290
GROCERY	$4,686,260	$5,066,210	$5,513,180	$5,955,620	$6,474,170	$6,792,470	$ 7,282,610	$ 7,782,250	$ 8,400,100	$ 9,276,110

RETAILERS ROLL OUT THE BARREL TO THE TUNE OF A $1 BILLION INCREASE

Beer consumption in the U.S. has been growing steadily over the past ten years and 1980 saw a continuation of that trend.

Beer has also been one of the biggest gainers in dollar volume for supermarkets over the past few years. In 1980, beer became the second biggest gainer in dollar volume of all supermarket items, with a total sales increase of $1.06 billion.

Beer sales in supermarkets reached $9.1 billion in 1980, an increase of 13.1 percent over the previous year. Sixty-two percent of beer for off-premises consumption is sold in supermarkets. Beer was 4.5 percent of total stores sales in 1980, up from 4.4 percent in 1979. Beer is now 5.9 percent of food sales in supermarkets, an increase of .14 percent over 1979.

As beer sales grow, so have SKU's — a mixed blessing for beer merchandisers.

The growth of the light beer category underscores the problem. Since light beer continues to be a growth area for the beer industry, new brands are being introduced at a rapid pace. Anheuser-Busch brought out its second light beer, Budweiser Light, this spring in order to challenge Miller Lite's commanding market share in the category.

Smaller breweries have also introduced light beers, making for a crowded shelf.

Pete Cowan, sales and merchandising director for Smith's Management Corp. (Salt Lake City), said that he had eliminated 12 of the slowest selling light beer packages from Smith's stores.

Imports' growth slows

Imported beer is another growth area for the beer industry, but there are some signs that the market is peaking.

Over the past 10 years, imports have achieved spectacular growth and increased consumer acceptance. But the rate of growth has slowed in the past year, partly due to a recessionary economy. For 1979 over 1978, the increase in total import barrels distributed in the U.S. was 28.4 percent. For 1980 over 1979, however, import barrels increased only five percent, according to *Modern Brewery Age*. Still, the imports' growth rate was higher than that of domestic producers.

At present, there are 180 imported beers available in the United States. But industry experts expect this number to fall appreciably as marginal brands are withdrawn from the market. Imports are now 4.6 percent of the U.S. market, according to *Modern Brewery Age*.

Retailers surveyed by SUPERMARKET BUSINESS indicated that the growth in their imported beer sales during the past year was minimal at best.

Ted McKissick, corporate wine and beer merchandiser for Fisher Foods, Inc. (Bedford Heights, Ohio) carries 10 to 15 imports. Sales vary widely from store to store, he said, adding that sales of imports were "minimal, under five percent."

McKissick has not seen any significant growth in imports as a whole over the past year. But Heineken, the leading import, has achieved a "nice steady growth," he said.

Fred Simon, liquor buyer/merchandiser for Foods Company Markets, Inc. (City of Commerce, Calif.) said that imports comprised only two or three percent of his beer sales. Mexican beer, however, has been growing steadily, he said.

Canadian and Mexican beer have been selling extremely well in the U.S. for the past few years, in fact, partly because they are less expensive than European imports.

According to Martlet Importing Co., sales of Molson beer and ale, a Canadian import and the number two imported brand in the U.S. after Heineken, increased 10 percent for the first fiscal quarter 1981 over the same period last year. Sales of Molson in the U.S. have gone from 800,000 Imperial gallons in 1971 to over 25 million in 1980.

With stiff competition in the imported beer market, promotional support is often available for new brands and established brands seeking to carve out a larger market share. McKissick is willing to take on a new import provided that he receives a good introductory price break, POS material and media support, he said. Without this support, an import stands almost no chance of surviving in a given market unless it acquires a draft following in local taverns, he explained.

Generic market is mixed

The reports on generic beer are somewhat mixed. Some chains report good sales gains and are enthusiastic about generic beer. Others report that sales have leveled off or declined. Still others have removed generic beer from their stores.

Harry Parsley, liquor buyer for Dale's Food Marts (Sun Valley, Calif.) carried generic beer when it first came out but dropped it when it failed to move enough cases. With deals available on higher priced beers, it became harder to move cut-rate beer, he explained: "Some of the deals are almost as good as the generic prices." Miller and Anheuser-Busch have increased prices only five or six percent over the last year. Since together they control a full 50 percent of the market, the result has been downward pressure on beer prices.

Cowan reports that generic sales at Smith's have tapered off. The main reason is price. "When the price approaches that of our popular beers," he says, "people lose interest. Our generic beer sales are nowhere near what they used to be."

However, McKissick reports

Continued on page 90

BEER TEN-YEAR INDEX OF SALES 1970-1980

BASE YEAR—1970 = 100.0%

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
ALL OUTLETS	$7,084,560	$7,597,100	$8,048,390	$8,786,670	$9,356,420	$10,683,530	$11,173,570	$11,862,420	$13,088,920	$14,696,810
GROCERY	$3,775,680	$4,352,780	$4,707,470	$5,182,920	$5,561,270	$ 6,428,830	$ 6,788,840	$ 7,325,160	$ 8,094,300	$ 9,154,650
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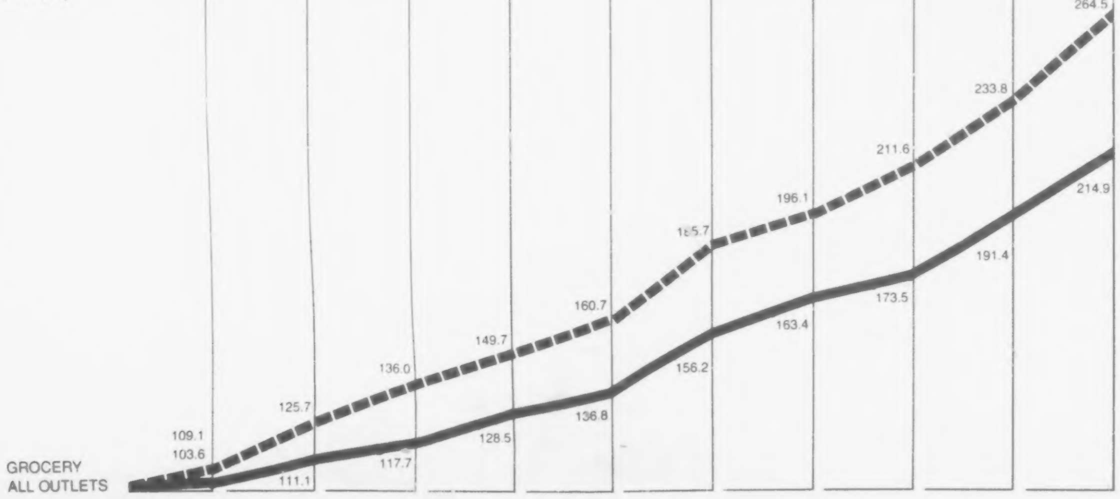


Continued from page 88

"Beer sales in supermarkets reached 9.1 billion dollars in 1980."

that generic beer is doing very well at Fisher. Fisher started selling generic beer in Youngstown, Ohio, a city hard hit by recession, and then began selling it in the Cleveland area.

Sales of generic beer have now reached 15 percent of all beer sales at Fisher. McKissick expects this percentage to increase.

Generic beer is a popular alternative for small local breweries faced with the advertising and merchandising blitz of national brands. Fisher, for example, is supplied with generic beer by the Pittsburgh Brewing Co. and by a small brewery in Hammonton, N.J.

In the past year, Fisher has experienced a 50-percent increase in sales of generic beer. According to McKissick, sales of generic beer have not cut into nationally advertised brands like Budweiser and Miller. Instead, they have come at the expense of regional brands like Rolling Rock and Blatz.

Simon reports that generic beer has been selling well at Foods Company Markets. It is now five percent of his total beer sales, and Simon expects that percentage to increase.

A number of retailers have also gone into selling keg beer. An Albertson's supermarket in Gainesville, Fla. sells half and quarter kegs, sometimes at the combined rate of 400 kegs per week. A great deal of the keg business comes from the nearby University of Florida for fraternity parties and special functions. The store averages 150 to 200 kegs (both quarter and half) while the university is in session.

The store doesn't use the kegs as a heavy profit maker. Rather, they're a draw for other beer sales and party goods. Albertson's sells the kegs at cost during a sale — the usual margin is $1 or $2 a keg. The store requires a $64 deposit on the keg, tap and tub that go with it. Naturally, the store also sells a great deal of ice to go with the kegs. The store carries all major brands and keeps 200 to 300 kegs in stock while school is in session.

Chicago Market Enterprises (Utica, N.Y.) sells keg beer in all 20 of its stores. Six years ago, the chain began selling five-gallon white plastic "beer balls" from the local F.X. Matt Brewing Co. These did so well that the chain decided to begin marketing half and quarter kegs as well.

According to Bob Reilly, grocery buyer for Chicago Market, kegs and the beer balls are steady sellers. This success is due partly to local colleges, including Mohawk Valley Community College and Syracuse University.

Chicago Market does its heaviest business in kegs during June because of graduation parties. July and August, however, are also very strong months.

The stores require a $20 deposit on kegs and a $30 deposit on taps. According to Reilly, he pays $26 for each tap.

Some of his customers feel that the $30 deposit is a good deal and don't return them: "We usually end up selling between 200 and 300 taps each year," he says.

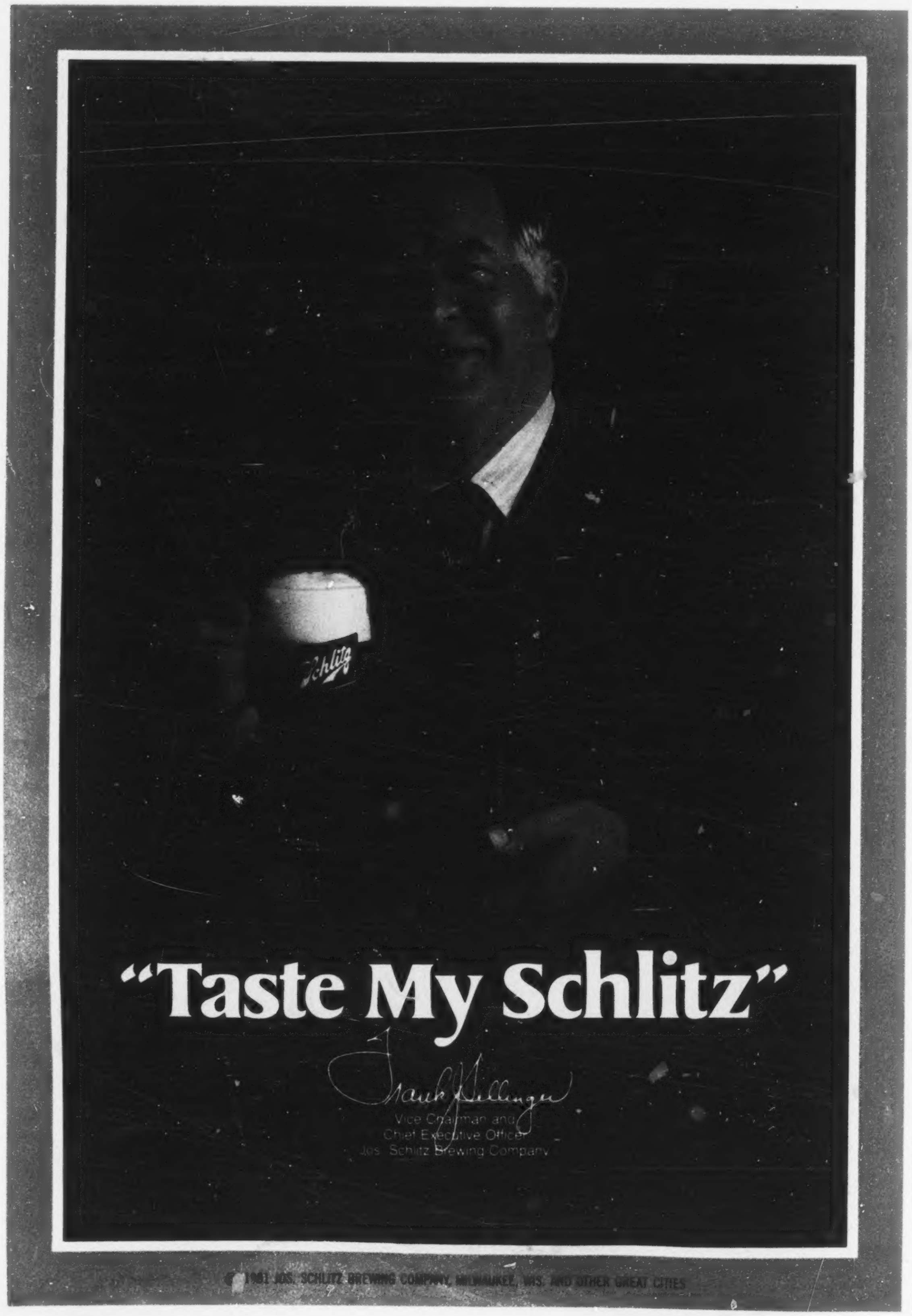
Reilly says that he sells an average of 300 kegs per week chainwide. Gross margin is between 16 and 18 percent on kegs; the margin on packaged beer is between 19 and 20 percent.

Word of mouth advertising is a strong draw for keg beer, once customers are aware that the store carries it. Chicago Market also displays several empty kegs fitted with advertisements over the beer case. Each store carries about 20 kegs in inventory. The stores can take orders and have next day delivery.

The original beer balls are still doing very well at $12.99 apiece. Chicago Market sells beer ball taps for $9.99 — a break-even price, according to Reilly.

The beer market promises to remain hotly competitive for the next few years at least. Anheuser-Busch and Miller are expanding production capacity. Both companies have vowed to take an even greater market share than they already hold.

Smaller brewers are likely to seek mergers in order to survive in the market. At the moment, for instance, Heineken and Pabst are both seeking to buy Schlitz. What this means for the retailer is that beer prices will remain very competitive for the forseeable future and promotional dollars should continue to be readily available. ■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CORN SNACKS, WHOLE-GRAIN CRACKERS GAIN ON POTATO CHIP'S LONG LEAD

The road to prosperity, snack buyers say, is still paved with potato chips. But corn snacks, especially tangy new tortilla and other varieties, are putting the crunch on further gains by the category heavyweight.

And "natural" snack lines such as whole-grain wheat crackers are bringing a new consumer segment to the snack food section.

These are the important trends in the snack food category, buyers and merchandisers around the country report. Potato chips, they say, are selling better than ever, despite high retails induced by crop shortages.

Although disposable income continues to erode and category price hikes to outpace inflation, snacks continue to grow with no end in sight.

Speculates Craig Hudyma, buyer for four-store Enggren's Supermarkets (Lakeville, Minn.): "Maybe the economic squeeze is forcing people to stay home eating potato chips in front of the TV, rather than going out for entertainment."

Bill Sumas, vice president of 20-store Village Supermarkets (Springfield, N.J.), reports that very few categories were up this year, but that snack food sales maintained their usual 1.5-percent share of total store business.

A mediocre potato crop last year caused potato chip prices to soar, buyers say. This fueled expectations for lower sales. But to the surprise of many buyers, chips not only retained their lead in the category by a wide margin, but are selling better than ever.

"I'm amazed that a price of over $2 a pound doesn't deter consumers," marveled one merchandise manager for a large chain with stores in five grain-belt states. "The recent introduction of the one-pound generic chips in our area has boosted volume for us. Now, with the new crop we're seeing a slight price drop, but the overall price increases have been even greater this year than last."

Corn snacks gain fastest

Corn-based snacks were the fastest 1980 gainers, buyers say, though their performance relative to potato chips varies from market to market.

In Hudyma's Minnesota markets, they've done exceptionally well: "Corn chip sales are even with potato chips now," he asserts.

Elsewhere, they're a distant but growing second: Says Ed Mauk, buyer for Seaway Food Town (Maumee, Ohio), "In this market, potato chips still do the bulk of the business."

But corn snacks are climbing fast: "A year ago, potato chips had a seven-to-one edge," Mauk says. "Now, I think it may be about five to one."

Buyers also note that consumer tendency to purchase private label snacks is least pronounced in the corn snack section. So far, it's been largely the name-brand manufacturers who have covered the market with offerings of different sizes, shapes, textures and flavors. Most are being met with enthusiastic response.

"We've brought in eight to 10 new varieties of corn chips alone in the past year," remarks Keith Morris, advertising and sales manager for Gardner's Food Centers (Buckeye Lake, Ohio).

Rising popularity of Mexican food in general (see *"They're Saying, Si! Si! to Mexican Food,"* in SB's August issue, page 20) has made taco and nacho-flavored tortilla chips the sales stars of the new entries.

Says Lee Salo, grocery buyer for Raley's (Sacramento, Calif.), "Corn chips have been the big item all year; anything that has to do with tortillas and nachos is doing great. Potato chips have been flat for us."

He speculates that consumers are interested in cutting down on salt and calories, and that potato chips may be viewed as having more salt and calories than the corn snacks — even if they don't.

Continued growth seen

Now that snacks have proved their ability to perform despite price hikes, buyers and merchandisers are looking for even greater growth. Demographic trends suggest their hopes may be well-founded — young people are heading more households and teenagers are making more money. These are the groups with which snacks are most popular.

Says Bob Dault, vice president of retail operations for Eberhard Foods (Walker, Mich.), "Potato chips are the favorite in the teen market. The younger generation also goes for the spicier (corn) snacks."

Pretzels, favored by older adults, are "just not a big item any more," he said. He added, however, that Keebler's new line of butter flavored pretzel varieties is doing very well.

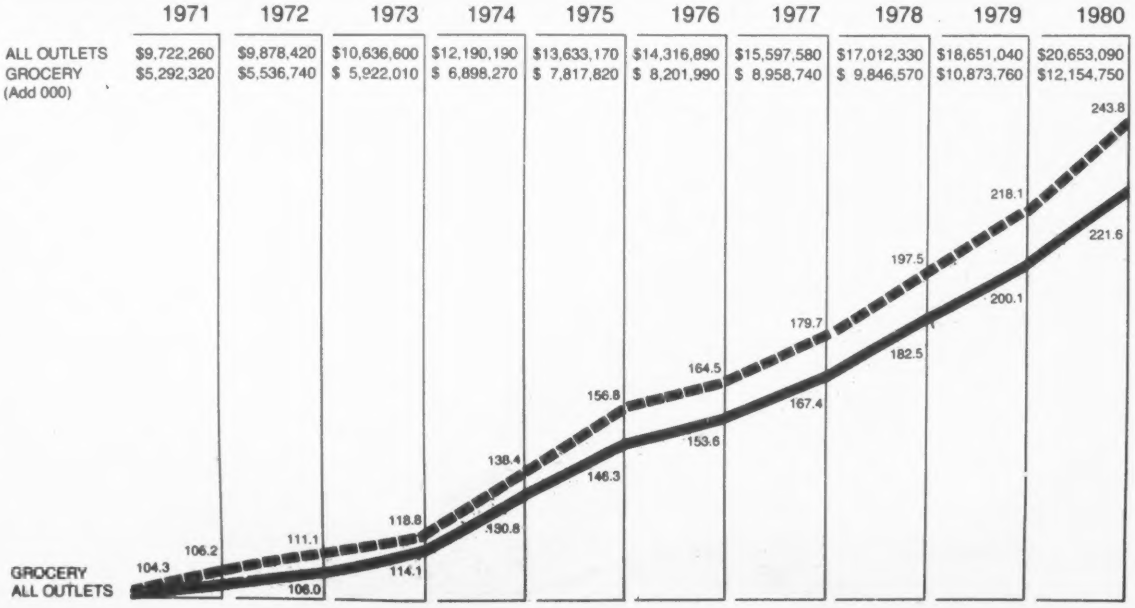
Promotion in the snack category always produces gratifying results, buyers say. In fact, Seaway's Mauk believes that snacks are not nearly as much a seasonal category as their reputation suggests: "Some items are 'seasonal' just because of

Continued on next page

Snack Sticks
LIGHTLY SALTED
Seville
Goldfish
THINS

BAKED GOODS* TEN-YEAR INDEX OF SALES 1970-1980 BASE YEAR—1970 = 100.0%

*Excludes Frozen Cakes. Pastries. Pies



	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
ALL OUTLETS	$9,722,260	$9,878,420	$10,636,600	$12,190,190	$13,633,170	$14,316,890	$15,597,580	$17,012,330	$18,651,040	$20,653,090
GROCERY (Add 000)	$5,292,320	$5,536,740	$ 5,922,010	$ 6,898,270	$ 7,817,820	$ 8,201,990	$ 8,958,740	$ 9,846,570	$10,873,760	$12,154,750

Continued from page 91

the way we treat them, not because of the product itself," he asserts.

Hudyma of Enggren's notes that heavy campaigning by Frito-Lay has doubled sales of its product in the company's four stores over the past year.

"The strategy of Sunday paper coupons that correlate with TV ads increases sales," he says.

At Dillon Stores (Hutchinson, Kan.), operating 58 units, snacks are given four to six inches of space in every store ad. A deep price cut on an item can boost its sales 20 times normal movement, says Ron Koett, director of purchasing and merchandising.

Boxed snack sales sag

Boxed potato chips and pretzels are moving slowly everywhere, buyers report. As a result, some companies are taking a hard look at their real contribution.

Big Bear Stores (Columbus, Ohio) merchandiser Michael Reilly reports he has dropped boxed snacks. "With no shelf space increases for the category, we had to eliminate some products and sizes to make room for others, such as the 16-ounce bag of chips," he explains.

Cookie sales have risen only slightly in tonnage, but are up 15 to 18 percent in dollar volume, buyers report. Concerted promotion efforts are helping them maintain profits, they say.

Big Bear's Reilly comments: "Through strong merchandising, we're moving a lot of cookies."

At Big Bear, "99-Cent Cookie Sales" are popular. Eight to 10 cookie varieties which can be profitably promoted at 99 cents are selected for feature. Mass displays are created to draw attention to the sale. Announcement of the sale is inserted in the company's newspaper ad at the start of the two-week promo period.

While Big Bear relies mainly on its own merchandising initiative to move cookies, other companies look to the manufacturer.

Bonus packs sell well

"Bonus packs are the best way to move merchandise quickly," a New York buyer claims. He commends Nabisco, Keebler and Sunshine for taking this approach: typically, the suppliers offer 10 to 25 percent more product for the regular price. These promotions generally last a month.

"There may not be a long-lasting effect on sales of the product, but during the promo period, sales of similar items by rival manufacturers drop to almost nothing," the New York buyer says.

Enggren's increases bonus pack sales still further by reducing prices on them and advertising them in its Sunday newspaper ads.

Coupons are considered a minor impetus to cookie sales by most buyers. But in Gardner's Ohio market, reports advertising/sales manager Morris, consumers "are very receptive to coupons. What used to be a three-percent redemption rate has jumped to 15 to 20 percent!"

For the 16 to 20 store coupons offered by Gardner's, an "astonishing" 25- to 30-percent redemption rate is now common, Morris reports.

The New York buyer cited promotions such as Nabisco's ice cream refund offer with purchase of its product as another successful sales builder.

"We see spurts rather than major sales increases with this kind of promotion," he points out. "Even so, the result is that Nabisco, rather than another company, gets additional in-store display space for its efforts," he adds.

Generic cookies no star

Generics have done less well in the cookie category than they have in potato chips and corn snacks, several buyers report. Seaway's Mauk blames this on generic cookie packaging: "Potato chips and taco chips all look alike, but people like to see cookies before they buy. Most cookies are wrapped in clear cellophane, but the generics come wrapped in a white cello you can't see through."

The diet, nutrition and health movement continues to have a growing impact on the snack category. In fact, at least one buyer thinks the trend will mean "plus" business for the snack category, rather than taking anything away from it.

Explains Big Bear's Reilly, "Snacks catering to the health-conscious may be expanding the business by bringing in consumers who have avoided traditional snacks. They won't take anything away from the potato chip market."

Whole grain snacks grow

Granola items are growing steadily, he reports. So are crackers made with whole grains. Nabisco's "Wheatsworth" was mentioned by several buyers as a strong new item; "Triscuits," the perennial favorite, continues to sell very well.

This "natural" trend is also seen by a buyer for a 70-store southern chain: "If they follow the pattern of the last two or three years, potato chips will become less of a factor, or stabilize at a lesser percentage of the entire snack category.

"The natural food segment has room for growth, and will continue to grow. People are reading the ingredients on the label more than they did. They're more conscious of what's in a product," he says.

Ronnie Bruno, vice president of sales for Bruno's, Inc. (Birmingham, Ala.), reports that all "natural" type snacks have been selling well in the chain's 60 supermarkets.

A spokesperson for Food Fair/Pantry Pride also notes a "definite trend toward no-salt, no-preservative snacks" in the company's 143 Florida, Georgia and Virginia stores. Nuts are doing very well, too, despite high prices, she reports.

Fruit, nut mixes rise

Fruit-nut mixes such as those marketed by Sun Maid and Sun Giant are doing surprisingly well for many grocery companies. Though priced at over $5 a pound, the two- to six-ounce packages continue to move off the display rack. "We haven't had a bad item yet," claims Eberhard's Dault.

This sentiment is echoed by Big Bear's Reilly, who adds that sales of these products are even better when they are displayed in the produce department.

The real wipe-out in the snack category continues to be potato chips packed in canisters. This, buyers say, is because a basketful of identical, perfectly formed potato chips simply isn't worth the higher price to consumers. Also, "The taste just isn't there, despite 'improved' flavors and a recent advertising drive," Dault asserts.

One product, however, has made a strong comeback in some markets: "Planters' cheese balls and cheese curls are selling; the rest are going nowhere," announces a Midwest buyer. "Planters has an excellent pack and a quality product." He feels more retail support is needed, however.

Sumas of Village Supermarkets credits the recent Nabisco-Planters merger for the sales upswing, and the Midwest buyer concurs: "The new advertising will help. They've been too conservative in the past. Now they're starting to show a little more marketing flair." ■

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TIME-SAVING, PRICE ADVANTAGES KEEP CEREAL SALES CRISP

Working mothers' needs for no-fuss, fast breakfasts have kept breakfast cereal sales strong in markets across the nation during the past year.

New cereals with the biggest advertising boosts still capture the most sales during intro periods. But old standbys like Post Toasties and Kellogg's Corn Flakes managed to hold their own, as they have for years.

Prices inflated to almost $2 a package have not affected most market sales, but they have caused buyers in some areas to buy private labels at considerable savings.

These are some of the views recently shared with SUPERMARKET BUSINESS in a series of interviews with grocery buyers throughout the nation.

Novelty draws sales

Several cereals introduced in the past year or so by a number of chains have sold well, according to grocery buyers.

Among those named most frequently: Kellogg's "Honey & Nut Corn Flakes," "Raisins, Rice & Rye;" Ralston-Purina's "Waffleos;" and General Mills' "Crispy Wheats & Raisins."

But it's too early to tell whether any of these will demonstrate the staying power of some of the old favorites, buyers agree.

"People buy new cereals just to try something new. They buy new cereals strictly on their novelty," explained Roy Flood, director of grocery merchandising for the 94-unit P & C Food Markets, Inc., (Syracuse, N.Y.).

"When a cereal first comes out, there's a heavy advertising allowance on it. And that's when we make our money. Three months is the hot life of a new cereal."

Flood described preparations made by P & C to promote a new doughnut-shaped, sugar-coated entry by Betty Crocker.

"We've already presold end aisle displays for it to 90 percent of our stores," he said.

The new cereal will be highlighted on shelves by a new item shelf "talker," — a Dayglo painted arrow pointing to the product. It will be price promoted for six weeks.

Generally, P & C runs one ad a week, featuring one cold cereal and one hot. Major items merit almost four column inches; others get a line of less than a column.

Private label succeeds

While its private label cereals don't draw the sales volume of national brands, P & C's Sunny Square frosted flakes, crisp rice, raisin bran and corn flakes and other versions of major national brands are "still profitable," according to Flood.

"The private label is not nationally advertised, but we get a better price from the packagers. And the quality is not much different.

"It's the price that sells it. You have to get the price down. We've run a 15-ounce Cheerios at anywhere from $1.23, six percent below cost, to $1.39, at a six-percent profit.

"We retail the private label at $1.03, a 25-percent savings to the consumer. So, where we're making six percent on the national brand, we're making 10 percent on our private label. It's still not enough, but it helps the whole category," Flood asserted.

P & C has a complete nutritional program through its consumer affairs department, which labels product with color stickers to indicate nutritional content. Cereals are included.

But cereal sales are geared to more than nutrition.

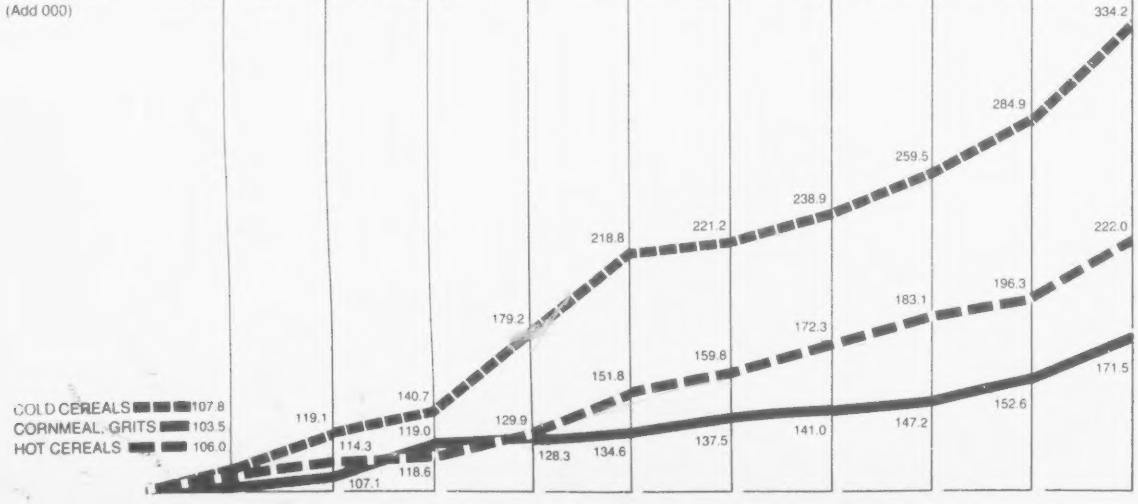
"As high priced as cereal has become, it is still an economical meal. It's still easier and more economical than to buy bacon and eggs," said Flood. "Today's woman is looking for the fast way to do things. She's got to go to work in the morning."

As for the highly touted high

CEREALS TEN-YEAR INDEX OF GROCERY SALES 1970-1980

BASE YEAR—1970 = 100.0%

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
COLD CEREALS	$710,560	$784,920	$927,250	$1,181,320	$1,442,390	$1,458,260	$1,574,920	$1,710,360	$1,877,980	$2,202,870
CORNMEAL, GRITS	$106,600	$110,320	$122,580	$ 132,140	$ 138,610	$ 141,660	$ 145,200	$ 151,590	$ 157,200	$ 176,690
HOT CEREALS	$119,510	$128,950	$133,730	$ 146,570	$ 171,190	$ 180,260	$ 194,320	$ 206,560	$ 221,430	$ 250,440
(Add 000)										



fiber cereals: "There was a big boom in high-fiber brands about five years ago. Kellogg's "Most," introduced at that time, still does well, as do the old standbys, "All-Bran" and "Bran Buds." These two took off when "Most" came out," Flood added.

They've dropped off a bit since, but still sell more than before "Most's" appearance on the market. "But these are adult cereals," said Flood, suggesting that childrens' cereals are the real battleground.

Slower items dropped

While most buyers interviewed reported that the amount of shelf space for cereals remained the same during the last year, Joseph Hudec, buyer, First National Supermarkets (Cleveland) was among those who reported that slower old items were often dropped at the time new items were added.

New items are chosen, as in most chains, based on what type of support a manufacturer provides.

Products are dropped due to customer disinterest, Hudec indicated. "We carry everything out there and let consumers decide what to buy in off-shelf purchases. If sales drop off on a product, we drop it."

First National has 57 stores in Cleveland and 115 additional units throughout the East Coast.

Jeff Wagner, buyer for the 70-store Fazio division of Fisher Foods (Cleveland) reported that he has dropped some sizes, but no brands.

Fazio spotlights a cereal in each ad. Space devoted to it is contingent on its sales volume.

He finds that some manufacturers "do not promote enough," and while others promote heavily, "they put all their money into TV."

No nutrition groundswell

While consumers' nutrition concerns may receive strong publicity, "sales of cereals don't indicate a groundswell in nutrition," according to Wagner. "Natural cereals are not doing all that well."

Dropping some slow sellers to make room on cereal shelves was Richard Morris, senior buyer for 135 Piggly Wiggly Red River Company stores (Clarksville, Tex.).

He concurred with First National's Wagner that the natural cereal category "has slowed up a bit."

Morris also saw "lots of prices increase last year. People turned away from some higher priced cereals and started looking at price.

"One big trend I noticed about a year ago was that presweetened cereals went up in price in response to high sugar prices, but they didn't go down when sugar prices actually went down," he added.

Most of Piggly Wiggly Red River's stores are in rural areas, which makes them somewhat resistant to trends that take hold in metro areas, said Morris.

"We still sell more hot cereals in rural areas — Quaker Instant Oats are super — but Kellogg's Corn Flakes and Post Toasties are still big," he explained.

Morris sometimes cross-merchandises cereals in ads and displays with other breakfast items like eggs, bacon and juice.

One of the most successful recent cereal promotions was Kellogg's anniversary sales, resulting in increased sales for Corn Flakes and Rice Crispies. "They advertised a *lot*," he recalled.

Consumers resist prices

Cereal sales have been rather even, according to a spokesman for a 350-unit Midwestern chain. "We are getting some consumer resistance," he explained. "Some cereals are up to $2. Cereals have gone up 20 percent in the last year, reflecting manufacturers taking price increases."

This chain has introduced very few new items in the past year. Neither have many been dropped.

"We have changed pack size in some cases, going form 24-pack to 12-pack cases," reported the spokesman.

One of this chain's most successful recent promotions was a sports event ticket tie-in with General Mills's "Kick" cereal. Ads featured special copy pertaining to the availability of sports tickets at reduced prices.

This chain also has toy sections in the middle of its cereal sections. "But we don't know whether we're selling toys because they are in with the cereals or the other way around," the spokesman revealed.

Sales response to at least one nutritionally touted cereal has been good at this chain.

Quaker's "King Vitamin," which has been endorsed by the Federally funded WICK (Womens, Infants, Children's Nutrition) program in some states, has enjoyed increased sales where the program is in effect, he concluded. ■

Introducing new Kellogg's® Banana Frosted Flakes.™

"They've got real appeal."

Now Kellogg's has gr-r-reat news for you.
New *Kellogg's Banana Frosted Flakes* cereal—
a way to increase profits and sales for you. Why?
First—heavy trade and consumer support:
- generous stocking allowances
- strong advertising on Saturday morning kid TV and all-family specials
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Second—the cereal itself. It's unique!
Kellogg's Banana Frosted Flakes delivers real bits of banana and great banana taste in every bite.
Gr-r-reat support and gr-r-reat taste.
Now that's real appeal!

Kellogg's
BANANA FROSTED FLAKES
Kellogg's
BANANA
FROSTED FLAKES
NEW
®

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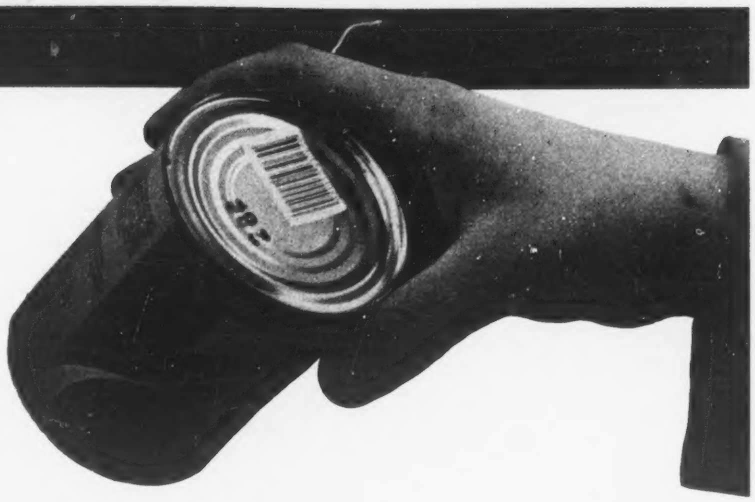
LIGHT-PACKED FRUITS AND ITALIAN SAUCES BRIGHTEN CATEGORY



Americans are going *au naturel* with the canned goods, making light-packed fruits a hot item in an otherwise flat category. At the same time, the consumer is pushing new Italian tomato sauces to greater sales.

While total sales of canned foods hit $11.25 billion in 1980, there has been little growth in the category as a whole, according to the 34th annual SUPERMARKET BUSINESS Consumer Expenditures Study.

The products which account for the greatest volume of sales of canned foods, fared much worse, however.

Canned fruits, $1.447 billion of which were sold in supermarkets in 1980, gained only 6.7 percent. Canned vegetables, a $2.49 billion food retailing market in the past year, crept up by only 6.2 percent.

Therefore, the action in light-packs is welcome. Light pack is the industry term for fruits canned either in their own juices, or in water with a reduced amount of sugar — in contrast to the syrup-packed fruits which were, until recently, the only type sold in the canned category for the general public.

A buyer for a major Midwestern wholesaler who distributes to over 300 voluntary supermarkets, says light packs are "the only *real* growth," in canned foods.

A new market?

He adds that the sales of these style fruits "are a new market," because the syrup packed fruits still move. Al Limata, director of marketing, Dole pineapple, says his analysis shows that "the syrup packed is still being purchased — by an older, more settled consumer. She bakes. She is not concerned with diet."

A retailer in Texas says that the growth is such in the light — or juice packed that he is considering reintegrating the diet section of canned goods back into the canned area. He feels, as others agree, that some sales are being taken from the diet fruits category.

'Natural' juices, too

This same kind of trend is seen in the canned juices category, which as a total, according to the CES increased sales in 1980 by only 5.6 percent. This low increase in sales is accompanied by an increase in sales of bottled juices, particularly the "natural" juices. For example, says a Texas buyer, the all-natural True Top Apple Juice is "very busy." However, equally natural grapefruit juice in a bottle does not yet out pace canned grapefruit juice.

"Well, it has a kind of yellow color," says the buyer. "People down here are used to the pink grapefruit, if they saw juice that color, maybe they'd buy it."

In contrast to the diet-conscious slimming trend is the old stand-by — convenience. This year's star: Italian food sauces.

Fernando Gumucio, Del Monte president of dry grocery and beverage products, says: "Look at tomato sauces. The canned tomato group appears to be flat: however, tomato sauces, spaghetti sauces are doing very well. The consumer is buying tomato, but differently."

SAMI data for the period ending March 6, 1981 bear out Gumucio's observation: tonnage of tomato paste was down 1.8 percent, for canned tomatoes down 3.0 percent for the previous 52 weeks. However, Italian

Continued on page 98

YOU'RE IN FOR THE BIGGEST PROMOTION OF YOUR CAREER.

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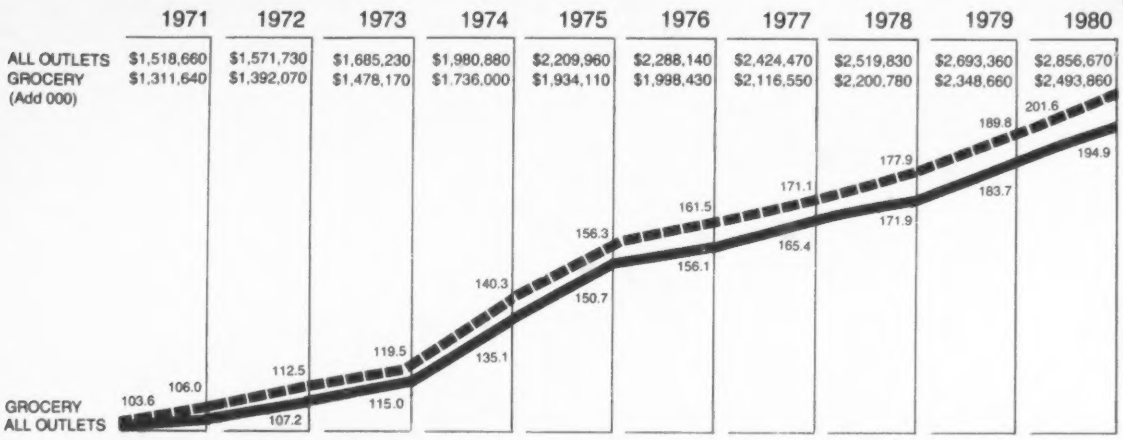
Starting this fall, Dole is delivering 297 million customer coupons for canned pineapple. That's right... 297 million! That's more than enough for every man, woman, and child in the United States; the largest couponing drop in the history of canned fruit.

Dole will be constantly delivering these coupons with advertising in women's service magazines and Sunday supplements. Plus on-pack, in-pack, take-ones, cross-ruff, tie-in, and direct mail. So you know Dole means business.

The question is: How much of that business will be yours? If your stocks of Dole look a little thin, now's the time to order more so you can have your share of increased sales. And to help you sell more, your Dole broker will be providing you with in-store promotion materials.

Look at it this way: End to end, the coupons Dole is delivering could reach to China. That's more than enough to reach your store. Are you ready?

CANNED VEGETABLES TEN-YEAR INDEX OF SALES 1970-1980 BASE YEAR—1970 = 100.0%



	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
ALL OUTLETS	$1,518,660	$1,571,730	$1,685,230	$1,980,880	$2,209,960	$2,288,140	$2,424,470	$2,519,830	$2,693,360	$2,856,670
GROCERY (Add 000)	$1,311,640	$1,392,070	$1,478,170	$1,736,000	$1,934,110	$1,998,430	$2,116,550	$2,200,780	$2,348,660	$2,493,860

Continued from page 96

food sauce tonnage was up 11.7 percent in the same period.

"There is the perception that canned goods are flat," Gumucio continues, "but the consumer still wants the convenience of the prepared product."

Campbell's Soup says that nationwide there is more action in the Crispy and chunky soups. David McDonald, vice president at Curtice-Burns says the economy is behind a "flurry of activity in the canned stews."

"When the economy is at its low point the canned stews are a good buy. They can be served over rice and can provide a nutritious meal." Soups, a $1.17 billion market in supermarkets in 1980, according to the CES, overall saw a healthy 12.6 percent increase in dollar sales.

Italian food sauces are up in sales when other tomato products are down.

Johnny Ambert, grocery buyer for Schwegmann's, New Orleans, agrees that the canned soups moving best are the Chunky items. However, in other regions of the country, soups move in winter for most part.

Canned foods as a whole, says a buyer for New York-New Jersey Grand Union, is still a growing field. "An item that won't sell one time moves at another time. You can't figure it out."

His view is shared by the Texas retailer, but in West Virginia the prices of items limit movement of traditional canned items to the sales. "Tuna moves when on sale," says Dave Milne, retailer in a small independent. "People don't shell out $1.09 for tuna like they used to." In this sense, he says, retailers are dependent on the deals offered by packers.

McDonald of Curtice-Burns says there is a new, "interesting development" in pie fillings which have already sold 10 percent in excess of last year's nationwide.

As a whole, the canned goods are flat, agrees Gumucio of Del Monte. "But in this area, I don't look at one year trends, I look at the five year trends, these are still good for canned products. The perception that the consumer has about preserved foods is the question that has to be addressed."

Indeed, the National Food Processors Association statistics show that there is no "trend line" over 10 years on a summary graph of vegetables, and in particular of canned corn, the volume item. Nor is there a clear trend for tomatoes that are canned. However, the trend for canned fruit and juice pack is down for a period from 1968 to 1978.

For this reason, the action in the light juice pack makes the canned goods future look a little brighter. ■

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CONSUMERS EAT MORE CHEESE, YOGURT

DAIRY DAIRY DAIRY

Americans consumed more cheese than ever in 1980, and they drank less milk. The milk consumed was more often lowfat, a growing trend, or in the form of yogurt. Yogurt in 1980 recovered from its previous year's dip to increase per capita consumption by 3.1 percent.

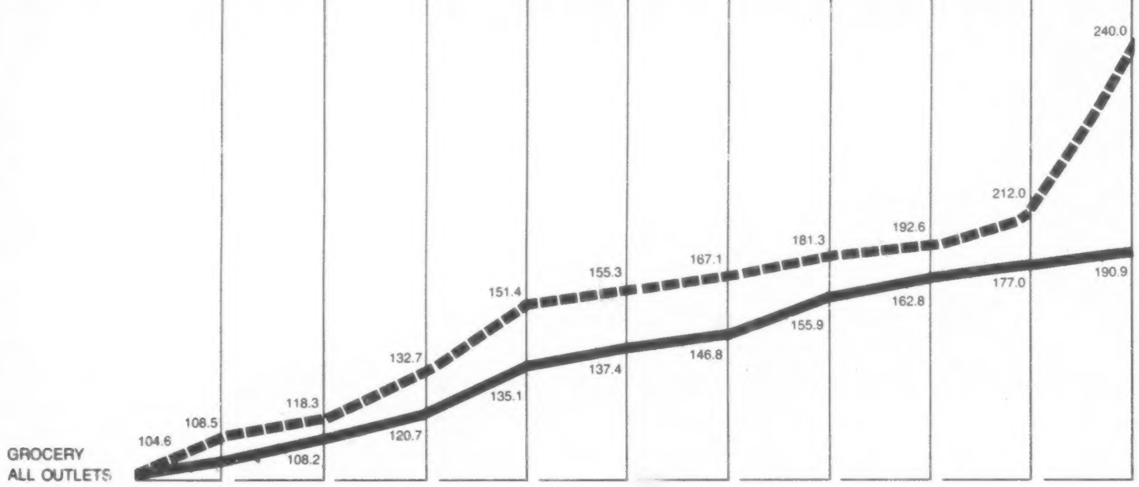
Total volume of dairy products sold through grocery stores reached $15.1 billion, according to the SB's 34th Annual Consumer Expenditures Study. This represents a 50-percent share of all dairy products marketed in the country.

Many consumers continued to bypass butter in favor of lower-priced imitation products, refrigerated spreads in particular. These showed tonnage increases of 49 percent, according to SAMI, for the 52-week period ending June 26, 1981. Butter, on the other hand, declined one percent.

But the fastest growing dairy product — even faster than new yogurt products — is imitation cheese, which increased its tonnage by a whopping 116.3 percent for the above SAMI reporting period. Its gain in share of the category went from 1.5 to 3.0 percent during the same period.

DAIRY SECTION TEN-YEAR INDEX OF SALES 1970-1980 BASE YEAR—1970 = 100.0%

(Add 000)	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
ALL OUTLETS	$16,598,220	$17,162,560	$19,153,410	$21,432,670	$21,797,030	$23,301,020	$24,732,920	$25,833,000	$28,086,310	$30,288,150
GROCERY	$ 6,849,050	$ 7,465,460	$ 8,376,250	$ 9,557,300	$ 9,805,790	$10,551,030	$11,443,700	$12,158,730	$13,383,850	$15,150,920



The newness of the trend is seen in the figures for the final 12-week portion of the 52-week period, where imitation cheeses soared 104.3 percent, going from 1.7 to 3.4 percent in share of the cheese category.

Retailers across the country are expanding the dairy case to accommodate these new trends. Some, such as Publix (Lakeland, Fla.), now devote as much space to margarine as to milk, the traditional heavy hitter.

In one of the newest Publix supermarkets, located in Seminole, Fla., the 72-foot dairy case has some 20 feet for margarine and dough products — English muffins, refrigerated biscuits, et al.

Yogurt, cottage cheese and

Continued on page 101

Announcement of Large Size Promotion January-February 1982

Sales promotion material will be available for a storewide promotion emphasizing the larger sizes of health and beauty aid items. We furnish, all without charge, a kit containing display material imprinted with participating manufacturers' brands, a national consumer sweepstakes offering over a thousand prizes, a store display contest and a sales personnel sweepstakes.

In due course, if you elect to participate, we will advise you of the participating brands. It is probable that you handle many or most of these. For participation or information, write on your company letterhead to Bruce Morris, Large Size Promotion, Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022.

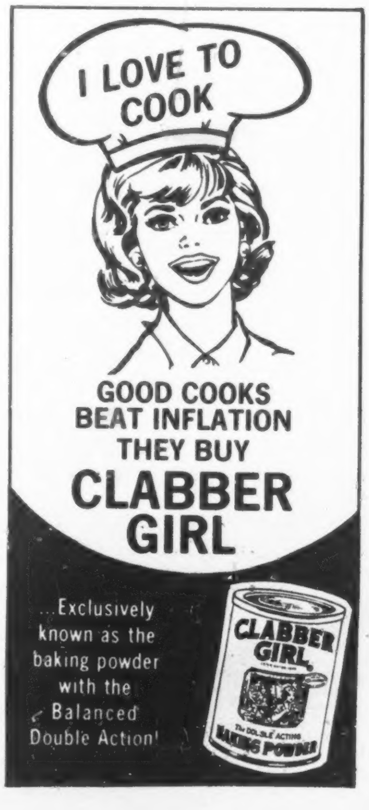
Note: Requests must be received by Oct. 21, 1981. Those received after that date will be returned.

Notice to all retailers

Periodically, Mobil Chemical Company's Plastic Division Consumer Department offers promotional discounts and/or special allowances for displaying, advertising and promoting its Hefty® or Kordite® line of products.

For details send your Name, Address & Telephone Number to your local Mobil Chemical sales representative or write to: Mobil Chemical Company, Plastics Division, Consumer Department, Sales Promotion Group, Macedon, N.Y. 14502.

Mobil Chemical Company
Division of Mobil Oil Corporation
Consumer Department, Macedon, N.Y 14502


I LOVE TO COOK
GOOD COOKS BEAT INFLATION THEY BUY
CLABBER GIRL
...Exclusively known as the baking powder with the Balanced Double Action!
CLABBER GIRL
BAKING POWDER

"Milk consumed is more often lowfat, or eaten in the form of yogurt."

Continued from page 99

culture products have a full 12 feet of the same case. John R. Young, Publix director of dairy operations, says that although yogurt sales "went flat," he expects the action to pick up this year.

Cheese in the same case has 24 feet of space — stretched out above the milk that still has the largest share, 32 linear feet.

Publix resets its case every two years, and more often if necessary, according to Ron Reeves, dairy merchandiser. It uses the horizontal milk layout to save energy in the high-front cases.

About an hour's drive away, inland, at a Publix Food World, the dairy case has the milk stacked vertically for 10 feet in a back-loading section. The Food World, a lower-priced food outlet, has a case that totals 84 feet, with 12 feet of space stacked to the ceiling with eggs.

Publix' private label margarine, Breakfast Club, moves at a rate of 40 to 50 cases a week, and 130 cases during sales weeks. Milk turns at a rate of some 4,350 gallons.

The American Dairy Association says that the average case across the country sells the dairy products in this kind of breakdown: fluid milks, 27 percent; cheese, 16 percent; eggs, 14 percent; ice cream, 11 percent; juices, 4.9 percent; cottage cheese, 4.7 percent; butter and yogurt, 4.0 percent each; refrigerated doughs, 1.7 percent, salads, 0.7 percent; toppings and spray whips, 0.3 percent.

The ADA recommends that retailers plan a case around four principles: split the volume movers, departmentalize like products together, use vertical displays, and break display lines.

Publix splits the responsibility of the case setting between the meat and store managers, and uses the department as a training ground for future managers.

"If a person can keep the dairy section well rotated, then he can be a good grocer," says Young.

Being a good dairy man means staying abreast of consumer trends and taste changes. For example, USDA data shows a decrease of 2.1 percent in fluid milk consumption, while cheese has increased.

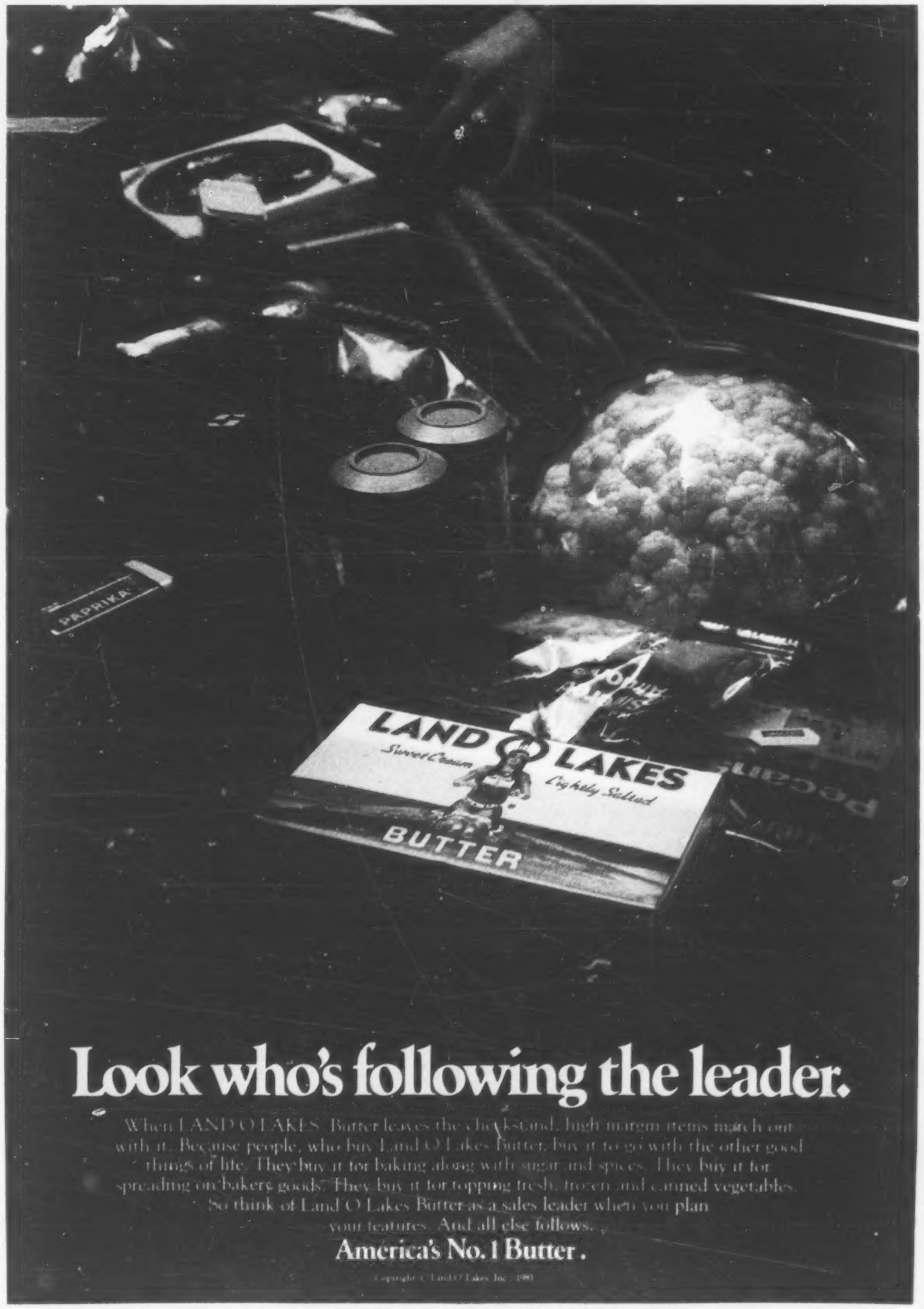
Per capita sales of whole milk decreased in 1980 by 4.2 percent. However, increases were posted by lowfat milk (up 5.2 percent) and skim (up 0.5 percent).

Half and halfs and other creams dropped 2.1 percent — with an interesting wrinkle: heavy cream increased 4.7 percent, but light continued a five-year trend with a dip of 16.7 percent.

In the past five years, says USDA, lowfat has increased 32.2 percent; yogurt, 22.7 percent; and whole milk has decreased 17.5 percent.

The SUPERMARKET BUSINESS CES shows that in 1980, orange juice, often rung up by chains such as Publix on the produce key even though displayed in dairy, increased sales by 25.7 percent. Other fruit drinks and juices were up by 18.4 percent.

Dollar sales of fresh milk increased 12.6 percent despite consumption decline. Butter is another example of a price increase masking a flat market — sales rose 11.1 percent, while tonnage was even.■



Look who's following the leader.

When LAND O LAKES Butter leaves the checkstand, high margin items march out with it. Because people, who buy Land O Lakes Butter, buy it to go with the other good things of life. They buy it for baking along with sugar and spices. They buy it for spreading on bakery goods. They buy it for topping fresh, frozen and canned vegetables. So think of Land O Lakes Butter as a sales leader when you plan your features. And all else follows.

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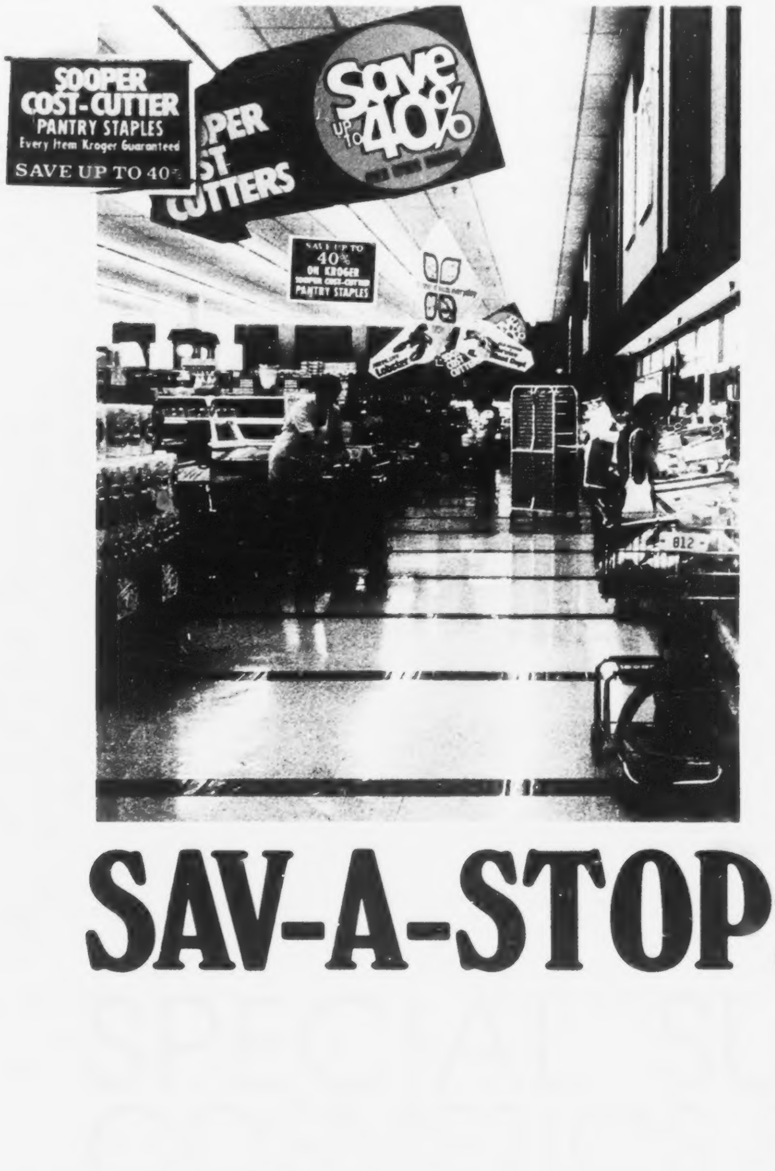
SUPERMARKET BUSINESS

FORMERLY
SUPERMARKETING

VOLUME 36/NUMBER 10
OCTOBER 1981

SAFEWAY AND KROGER SQUARE-OFF FOR KING OF THE HILL:
LITTLE ROCK GOES CRITICAL

Little Rock — It's war in Little Rock, but a welcome one to consumer groups who have long felt that food prices were too high in a market where median incomes are among the lowest in the nation. The price war was ignited by warehouse stores, such as Food 4 Less and Grocery Supply Co., but Safeway and Kroger, who have dominated this market since the Thirties, are digging-in for a hard fight. Casualties are mounting.


SOOPER
COST-CUTTER
PANTRY STAPLES
Every Item Kroger Guaranteed
SAVE UP TO 40%
...PER
...ST
CUTTERS
Save up to 40%
SAVE UP TO
40%
ON KROGER
SOOPER COST-CUTTER
PANTRY STAPLES
812

50 Top Public Food Chains

Dillon led the pack in fiscal '80, with an increase in supermarket earnings of 52.2%.

Among those companies that showed the greatest increases in earnings was Mott's Supermarkets, although only 47th in sales.

UPDATING GENERICS

SAMI Takes a Look at the

top 10 categories in [illegible] supermarket departments to show [illegible] in terms of current share of market.

SAV-A-STOP: It's a Service Job That Pays Off Big

SPECIAL SUPPLEMENT
[illegible]

BAKED FOODS MERCHANDISER MAGAZINE

SUPERMARKET BUSINESS

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BPA ABP

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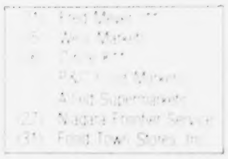
LITTLE ROCK GOES CRITICAL
Between them, Safeway and Kroger had this high-priced, heart-of-America market nicely in hand for decades. Then along came the warehouse boys to upset their applecart.

PAGE 18
MERCHANDISING SERVICE
A "symbiotic relationship" between Sav-A-Stop's distribution and retail businesses sapped rather than strengthened the company. So it dropped its retail ballast, sharpened its service skills... and this year is in the black with nearly $300 million in sales.


Allied Supermarkets
(27) Niagara Frontier Service
(31) Food Town Stores, Inc.

PAGE 23
50 TOP CHAINS REPORT
Inflation and lower median income plagued many chains last year, but many others managed to produce record sales and earnings in 1980.

PAGE 21
SPECIAL SUPPLEMENT:
BAKED FOODS MERCHANDISER
These recipes for building traffic, sales and profits with baked goods have been tested in the retail pressure cooker. They work!

PAGE 31
GENERICS UPDATE
SAMI takes a look at the top 10 categories in four major supermarket departments to show how no-frills fare in market share.

PAGE 37
SPECIAL SUPPLEMENT:
COSMETICS & SKIN CARE
Cosmetic and skin care products have soared 237% in 10 years, adding sparkle and shine to grocery store profits. Here's some seductive data revealing what happens when the strength of this category is applied to the power of the supermarket. Also: Special buyers' guide to products and promotions.

OTHER FEATURES AND COLUMNS

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Consumer Expenditures for Baked Foods

Baked food sales topped the $20 billion mark in 1980, with bread and rolls leading the way. Baked Foods Merchandiser details the 34th annual Supermarket Business Magazine Consumer Expenditures Study.

Maybe it's the new variety breads more and more bakeries are offering these days. Perhaps it's the abundance of new and intriguing products — pina colada cake, for example — that's bringing in more customers.

It could be better advertising for supermarket bakery specials, or maybe it's just the pleasant, comforting smell of fresh baked bread and rolls, cakes and pies, wafting out over the supermarket or onto shopping center sidewalks that lures everybody in.

34th annual study shows that baked foods sales topped $20.6 billion, a 10.7% increase over 1979.

Whatever the reasons, baked goods sales all across the country increased in 1980, according to *Supermarket Business Magazine's* 34th Annual Consumer Expenditures Study released in September. Baked food sales topped $20.653 billion in all supermarket bake shops, bakeries and other outlets — an encouraging increase of more than 10.7 percent over 1979's total of $18.651 billion. Grocery store dollar volume for baked foods rose faster than a loaf of good French white, up to $12.154 billion in 1980 from $10.874 billion the year before — an increase of 11.81 percent.

Bread and rolls, as expected, led the way to higher sales, with $10.45 billion overall, and $6.385 billion in grocery stores — both increases showed up just over 11 percent nationwide. The country's foodstore retailers picked up one percent more of overall baked good sales in 1980 than they held in 1979, moving to 59 percent of total sales. Grocery stores maintained the 26 percent share of the sweet goods market they had in 1979 — but showed improved sales with cookies, crackers and snack products. All in all — for the grocers and for all baked goods manufacturers — it was truly an improved season.

Welcome news for the industry was the increase in white pan bread sales. White bread sales of $7.024 billion (an increase of a full 11.6 percent over 1979's $6.294 billion) moved the basic staple into the list of the top 10 leaders in store volume, edging up behind poultry and fresh milk sales into 10th place.

Long an important part of grocery earnings, white bread, now appears to be getting more favorable pricing treatment, and is therefore reaping better gains. White bread sales captured 3.3 percent of every food dollar spent in 1980, up from 3.26 percent the year before. That hike appeared to help the nation's groceries, which sell 73 percent of all white bread each year. Consumer preferences for white bread pushed the product onto the Supermarket Business CES list of leaders in total store volume with white bread showing a dollar increase of $5437 million over the year — more than 11.9 percent more, a hefty jump — the product moved up to ninth place. All that action took place even with the rising interest among consumers in more exotic baked breads and specialty items offered through growing in-store baking operations.

Popular as white bread seemed to become again, it wasn't alone among the baked goods making the list of impressive dollar volume increases. In 12th place, on an increase of $309 million for the year, came crackers, cookies and biscuits, which racked up national sales gains of more than nine percent on total dollar volume of $355 billion for the year. Cookies and crackers, in garnering 2.06 percent of each food dollar spent, helped grocery margins as well, with 90 percent of all 1980 sales coming in groceries. That was up from 89 percent in 1979. Cookies and crackers were 10 percent more popular in 1980 — a big jump from the 7.3 percent sales increase occurring between 1978 and 1979.

White pan bread moved into the list of top 10 leaders in store volume.

Other "snacks" which are reported in the CES as baked foods, did even better, notably potato chips, which scored a sales gain of 9.3percent on total sales volume worth $235 billion. Chips gathered in .80 percent of every food dollar spent, up from .78 percent in 1979. Packaged unpopped popcorn, every baby-sitter's boon, moved ahead smartly, too, increasing a popping 17.6 percent on total 1980 sales of $84 million.

While white bread, cookies and crackers, and snacks led the way; other breads — the ryes, wheats, pumpernickels and their grainy kin — were up as well. Sales in Supermarket Business's CES "other bread" category pushed ahead 12.8 percent, with 1980's total dollar volume at $2.126 billion, versus $1.885 billion the year before. Although variety breads were a big seller in areas such as foodservice, grocers nevertheless held their 43 percent share of the variety bread market, good for .59 percent of each food dollar, up from .57 the year before.

Foodstore sales also recorded big increases in bread-style rolls, up by a 13.2 percent increase as sales rose from $320 million in 1979 to more

Bread and Rolls

10 Year Index of Sales 1970-1980

Base Year	All Outlet Sales	Grocery Store Sales	All Outlets Index	Grocery Store Index
1980	$10,499,010	6,384,680	223.0	227.4
1979	9,373,680	5,690,810	199.1	202.7
1978	8,477,750	5,095,000	180.1	181.5
1977	7,598,640	4,542,680	161.4	161.8
1976	6,763,900	4,039,400	143.7	143.9
1975	6,495,840	3,904,960	138.0	139.1
1974	6,166,950	3,682,970	131.0	131.2
1973	5,449,470	3,247,750	115.7	115.7
1972	4,970,870	2,969,520	105.6	105.8
1971	4,844,900	2,897,090	102.9	103.2
1970	4,708,360	2,807,260	100.0	100.0

Variety Breads

10 Year Index of Sales 1970-1980

Base Year	All Outlet Sales	Grocery Store Sales	All Outlets Index	Grocery Store Index
1980	$2,126,260	910,630	242.2	263.2
1979	1,884,980	802,320	214.7	231.9
1978	1,674,050	701,940	190.7	202.9
1977	1,528,810	638,130	174.1	184.4
1976	1,396,170	583,830	159.0	168.7
1975	1,286,790	543,100	146.6	157.0
1974	1,162,410	484,050	132.4	140.0
1973	1,031,420	411,610	117.5	119.0
1972	956,790	378,190	109.0	109.3
1971	923,540	346,350	105.2	105.3
1970	887,890	346,010	100.0	100.0

White Bread

10 Year Index of Sales 1970-1980

Base Year	All Outlet Sales	Grocery Store Sales	All Outlets Index	Grocery Store Index
1980	$ 7,024,570	5,112,550	221.6	221.6
1979	6,294,420	4,568,860	198.5	198.0
1978	5,717,000	4,108,690	180.3	178.1
1977	5,068,260	3,642,460	159.9	157.9
1976	4,489,160	3,226,270	141.6	139.8
1975	4,362,640	3,144,510	137.6	136.3
1974	4,182,780	2,991,920	131.9	129.7
1973	3,643,540	2,643,040	114.9	114.5
1972	3,324,400	2,421,770	104.9	105.0
1971	3,256,020	2,369,640	102.7	102.7
1970	3,170,420	2,307,340	100.0	100.0

LIBERTY
1980

Continued on Page 8

than $362.5 million in 1980. Overall consumption of rolls and buns — from both the grocery shelf and over the counter at thousands of fast food outlets across the country — went from a dollar volume of $1.9 billion in '79 to $1.3 billion last year.

Business was just as sweet for pie, cake and pastry sections. Sales of sweet goods leaped upward even as the price of sugar and other ingredients did — total dollar volume went to $3.93 billion in 1980 from $3.566 billion in '79. That was a jump of 10.3 percent overall. In the grocery store, sales climbed an impressive 12.2 percent, with more than $1 billion ($1.03 billion in all) spent by consumers on grocery store dessert pastry.

But while the groceries started cracking the pastry sweets market, it still belongs mainly to other sales outlets such as foodservice and retail bakeries, which recorded 74 percent of all sales both in 1980 and the year before.

Grocers pushed ahead on doughnut sales, — raising their sales from 33 percent of sales to 34. Total doughnut sales were up 12.2 percent in grocery stores during 1980, and went from a total dollar volume of $886 million in 1979 to $963 million last year. Retailers also added to their share of the market in non-frozen pies, moving to a 22 percent share from 21; pie profits came in bigger slices than ever, according to Supermarket Business's CES reports, with total sales worth $563 million in 1980 compared with $506.6 million the year before. Grocery pie sales, as a result, leapt 15.7 percent, an increase topped only by the jump in unpopped popcorn sales, up 18.1 percent in grocery stores during 1980.

In 12th place, on an increase of $309 million for the year, came crackers, cookies and biscuits.

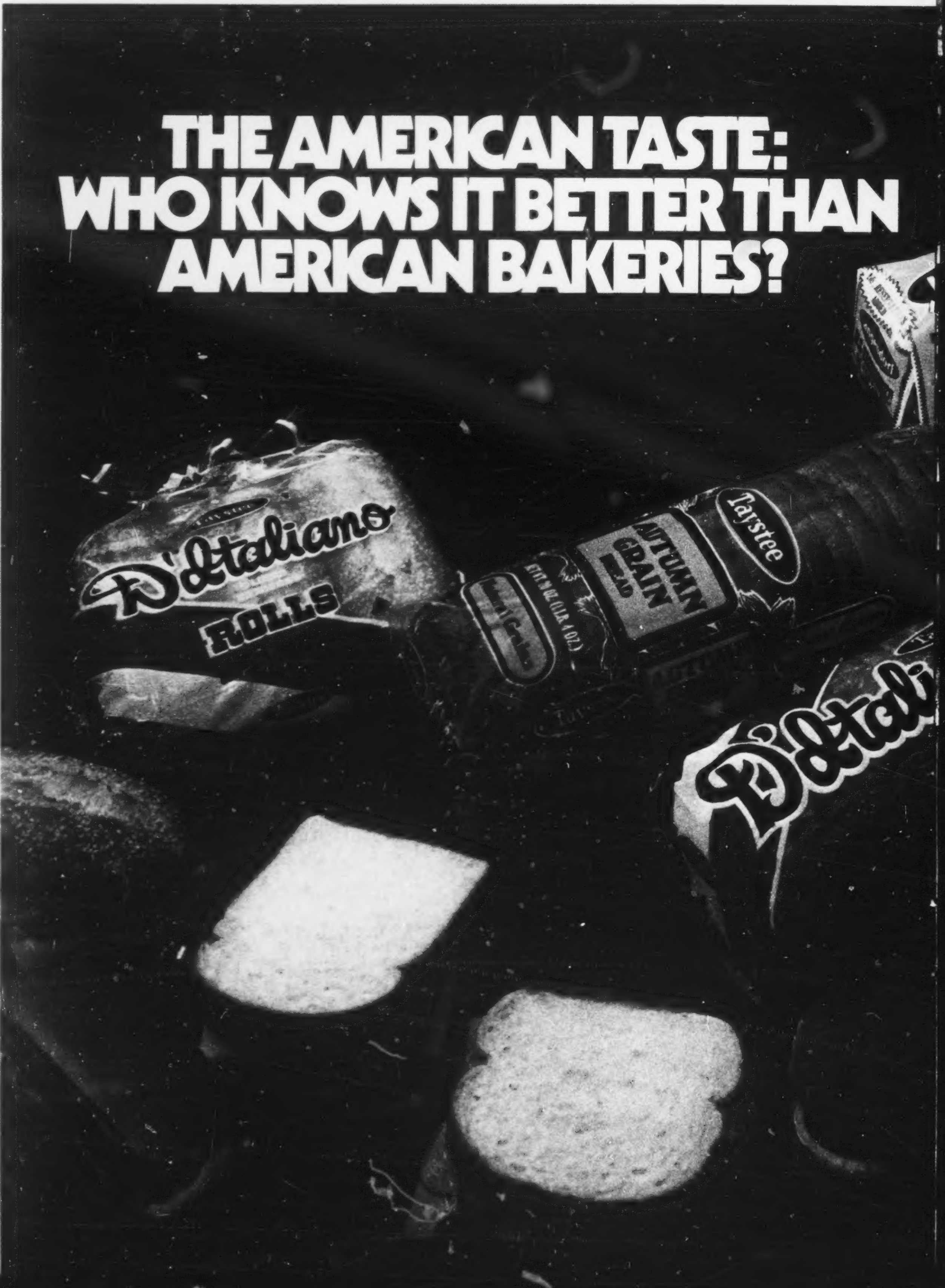
Cakes not surprisingly, were the sweetest of the sweets, with total sales of $2.406 billion in 1980 up 10.7 percent overall, from $2.174 billion in 1979. Grocery store sales of non-frozen cakes increased even faster, at 11.4 percent, jumping from $515 million in 1979 to $574 million last year.

Frozen cakes, in contrast to the freshly-baked varieties, lagged the market in 1980 after a big 14.6 percent sales increase in 1979. Frozen cakes and pastries edged up 6.7 percent on total 1980 dollar volume of $438 million, with grocery stores selling 91 percent of all of them. The same news was true for the frozen pie market — after an 11.4 percent hike in sales between 1978-79, sales of pies from the freezer cooled to an increase of eight percent overall, and a jump of 8.3 percent in the stores, which hold 87 percent of the market. Total frozen dessert sales, in all, were up moderately to 7.3 percent in all outlets and in grocery stores, up to $723.4 million in 1980 from $674 million the year before.

But even while frozen baked goods didn't gain as much as in the past, it was only toaster pastries,

The 10 Leaders in Store Volume

Rank	Item	1980 Grocery Store Sales (in [illegible])	% Change In Sales '80 vs '79	% of Store Volume
1	Fresh Beef	$16,781,520	8.9%	11.97%
2	Provisions	13,683,510	5.8	6.77
3	Fresh Vegetables	12,346,[illegible]30	7.2	6.11
4	Beer	9,154,650	13.1	4.5[illegible]
5	Fresh Fruit	8,357,910	14.1	4.14
6	Cigarettes	6,547,270	1.6	3.24
7	Paper Products	6,012,720	13.6	2.98
8	Fresh Milk	5,346,010	12.6	2.65
9	Fresh Poultry	5,151,080	8.3	2.54
10	White Bread	5,112,560	11.9	2.53



[illegible]

within the entire baked goods marketplace, which actually slipped a bit. Sales of the breakfast snack food dipped a half percent in 1980, from $71.84 million in 1979 to $71.48 million in '80.

Even if toaster pastries didn't quite keep pace, 1980 ranks as good a year for bake shops, in-store bakeries, fast food operators, and especially in the nation's supermarkets. For all outlets, a full 7.85 percent of each consumer food dollar went for baked goods in 1980, up from 7.75 percent in 1979. Except for soft drinks and some alcoholic beverages, no food group gained in total food sales as rapidly as bakery products did. Among all perishables, no group except fruit juices, which recorded a 24 percent gain in 1980, and some prepared frozen foods, like pizza, moved ahead as vigorously.

Except for soft drinks and some alcoholic beverages, no food group gained in total sales as rapidly as baked products did.

Observers point to many reasons for the surge. For example, more realistic pricing, particularly on white bread and rolls. There were creative marketing ideas, including package wrapper calorie counts, nutritional labeling and more variety breads that the public is looking for. There were also changes in the sizes of some portions accommodate smaller families and to accommodate the increasing numbers of single-person households.

For food retailers, the creative efforts have succeeded. Consumers bought bread and pastry products with six cents of each dollar used at the supermarket, up from 5.96 percent of each dollar spent in 1979.

Observers look forward as continued growth through a combination of moderate price increases, control of labor costs, a dip in sugar prices and the recognition that in tough economic times, consumers may reach for more bread and desserts, pointed to increased sales and profits for food merchants.

Sales by Department as Portion of Total Store

	1980	1979
Fresh meat, fish, poultry	22.14%	22.83%
Fresh produce	10.25	10.33
Dairy section	7.50	7.45
Baked foods (1)	6.01	5.96
Frozen foods (2)	4.59	4.61
Alcoholic beverages	5.12	5.01
Prepared beverages	3.35	3.58
Soft drinks	2.57	2.41
All other foods	15.12	14.78
Other groceries	12.75	12.66
Total foods & groceries	**89.40%**	**89.62%**
Health & beauty aids, Rxs	4.33%	4.21%
Other general merchandise	6.27	6.17
Total general merchandise	10.60%	10.38%
Total	**100.00%**	**100.00%**

1) Excludes frozen pies, cakes, pastries

2) Includes pies, cakes, pastries. Excludes breads & rolls

Merita
HOT DOG
Langendorf
HAMBURGER
Langendorf
OLD FASHIONED
WHITE
Taystee
Merita
OLD FASHIONED
Merita

Anybody who's been America's baker for over 127 years knows America's taste. And what it takes to satisfy hundreds of thousands of families every day in over 18 states.

Good taste, fine quality, freshness—these, of course, are essential but there's a lot more to this success story. There's knowing what the customer wants, for example, and knowing how to package it—in appealing designs, displays, promotion and advertising.

There is also a matter of changing taste and buying patterns and knowing how to deal with them.

There's the ability to spot marketing trends and to turn them into a profit.

There's an all-out concentration of marketing efforts on **day-in, day-out volume sales**—yours and ours.

There's the building of a working partnership between baker and stores that guarantees the consumer fine, fresh-tasting baked goods.

It's a success formula that we would like to put to work in your stores.

AMERICAN BAKERIES COMPANY

Annual SB Report:

50 TOP PUBLICLY OWNED FOOD CHAINS

Sec .110

Oct [illegible]

Inflation and lower median income posed problems for many grocery chains, but many others turned in record sales and earnings in 1980.

In a period of recession and double-digit inflation, such as 1980, the grocery industry should have had sales and tonnage that were just about flat. Yet, 26 out of the 50 top food chains reported in this annual study conducted by SUPERMARKET BUSINESS actually had sales increases above the inflation rate of 13.5 percent, as measured by the Consumer Price Index.

This performance by the nation's larger food chains is especially noteworthy at this time, when family income in real dollar terms declined by 5.5 percent.

Only three chains, **First National** (Cleveland, O.), **Food Fair** (Ft. Lauderdale, Fla.), and **Foodarama** (Freehold, N.J.), reported declines in sales for the year. First National closed 93 stores during the year, which accounted for much of the decline in sales, while Food Fair was still operating under Chapter XI bankruptcy conditions, and had not yet closed its unprofitable Baltimore division. Foodarama sales were just about even with the year before, although 1979 sales covered 53 weeks; 1980 sales, for 52 weeks.

When it came to earnings in 1980, while a slight majority had increases in earnings, 22 chains suffered declining profits. A number of chains switched to the LIFO (last in, first out) accounting method in 1979 and in 1980, for purposes of saving income taxes on inflationary rises in inventory

Continued on next page

THE 10 BEST PROFIT MARGINS NET INCOME AFTER TAXES AS PERCENT OF SALES

	1980	1979
Weis Markets	4.83%	4.76%
Fred Meyer**	2.86%	2.57%
Food Town Stores, Inc.	2.81%	3.17%
Circle K**	2.55%	3.18%
Bruno's, Inc.*	1.88%	1.73%
Dillon Co.	1.67%	1.32%
Southland Corp.*	1.62%	2.14%
Jewel Companies**	1.56%	1.38%
Winn-Dixie	1.54%	1.71%
Penn Traffic	1.53%	1.72%

* Net income includes extraordinary items.

** Both years of net income stated using similar accounting methods.

THE 10 FASTEST GAINERS IN SALES (GREATEST PERCENTAGE INCREASES)

Chain	Percent Gain In Sales	Sales Rank 1980	1979
American Stores	69.6%	5	7
Food Town Stores, Inc.	30.7	28	31
Laneco, Inc.	30.1	49	48
Sunshine Jr. Stores	26.5	50	49
Thorofare	24.8	46	46
Southland Corp.	23.4	7	6
Circle K	20.9	24	26
Dillon Co.	20.1	12	12
Pueblo International	19.9	36	36
Giant Food	19.4	14	18

THE 10 FASTEST GAINERS IN SALES (GREATEST DOLLAR INCREASES) (ADD 000)

Chain	Sales 1980	1979	Increase in Sales
American Stores	$6,419,884	$3,786,332	$2,633,552
Safeway Stores	15,102,673	13,717,861	1,384,812
Kroger Co.	10,316,741	9,029,315	1,287,426
Southland Corp.	4,758,656	3,856,222	902,434
Winn-Dixie	6,200,167	5,388,979	811,188
Lucky Stores	6,468,682	5,815,927	652,755
Jewel Companies	4,267,922	3,684,929	582,993
Grand Union	3,626,231	3,137,612	488,619
Dillon Co.	2,494,578	2,077,265	417,313
Albertsons	3,039,129	2,673,848	365,281

THE 10 FASTEST GAINERS IN EARNINGS (GREATEST PERCENTAGE INCREASES)

Chain[1]	Percent Gain in Earnings	Earnings Rank 1980	Sales Rank 1980
First National Supermarkets*	+120.2%	22	17
Dillon Co.	+52.2	8	12
Waldbaum's	38.3	21	16
Mott's Supermarkets	32.2	34	47
Jewel Companies**	31.6	6	8
Bruno's Inc.*	29.5	23	32
Pueblo International**	26.2	30	36
Fred Meyer**	24.5	12	22
Arden Group, Inc.	21.7	33	29
P&C Food Markets	21.6	35	25

[1] Includes only those companies with no reported losses in either year.

* Net income includes extraordinary items.

** Both years of net income stated using similar accounting methods.

THE 10 BIGGEST GAINERS IN EARNINGS GREATEST DOLLAR INCREASES (ADD 000)

Chain[1]	Earnings 1980	1979	Net Increase in Earnings
Jewel Companies**	$66,685	$50,686	$15,999
Dillon Co.	41,688	27,397	14,291
Kroger Co.	94,386	85,721	8,665
American Stores	51,553	44,434	7,119
Fred Meyer**	27,869	22,380	5,489
First National Supermarkets*	10,042	4,561	5,481
Grand Union	34,327	30,669	3,658
Winn-Dixie	95,395	91,950	3,445
Albertsons	41,621	38,323	3,298
Waldbaums	10,828	7,827	3,001

[1] Includes only those chains with no reported losses in either year.

* Net income includes extraordinary items.

** Both years of net income stated using similar accounting methods.

THE BEST RETURNS ON 1980 NET WORTH NET INCOME AFTER TAXES AS PERCENT OF YEAR-END NET WORTH

	1980	1979
Foodtown Stores, Inc.	25.57%	28.78%
Bruno's Inc.*	25.32%	24.28%
Circle K**	23.35%	27.04%
First National Supermarkets*	22.80%	13.15%
Dillon Co.	22.40%	16.82%
American Stores	21.14%	21.08%
Cullum Co.	20.43%	20.11%
Winn-Dixie	20.42%	19.40%
Lucky Stores	20.03%	24.16%
Albertsons	19.91%	21.47%

* Net income includes extraordinary items.

** Both years of net income stated using similar accounting methods.

Top 50
Continued from page 23

value; however, all earnings reported in the SUPERMARKET BUSINESS 50 Top Chains study (see chart on page 24) are a result of the FIFO (first in, first out) accounting method for purposes of comparison with the year before.

The top performer in net income from supermarkets, with no extraordinary or non-recurring contributions to profit, was the **Dillon Cos.** (Hutchinson, Kan.). Dillon had earnings that were 52.2 percent above the year before, which was a notable recovery from performance in 1979, when earnings had declined. Following in the footsteps of Dillon, among the fastest gainers in profit were **Waldbaum's** (Central Islip, N.Y.) and **Mott's Supermarkets** (E. Hartford, Conn.). While Mott's is ranked 47th in terms of sales, the chain reported earnings that were 32.2 percent above 1979, making it 34th in earnings. The only chain listed among the top 10 in sales, and also to make the top 10 fastest gainers in earnings list was **Jewel Companies** (Chicago, Ill.), with a 31.6-percent increase. This performance placed the chain sixth in 1980 earnings.

First National's earning cannot be compared with 1979 on equal terms, since the chain closed or sold 93 stores during the year, and had other extraordinary income credits.

Among the 10 biggest gainers in earnings, those with the greatest dollar increases in profits, Jewel heads the list, using similar accounting methods for both 1980 and 1979. Jewel was one of the companies to switch to the LIFO method during the fiscal year. The top 10 chains in sales dominated this list in terms of dollar increases in profits, which is only natural. But Dillon was there again with the second spot in dollar increases while it is only 12th in sales. The third largest chain in sales, **Kroger** (Cincinnati, Ohio), was also third in dollar earnings increases.

This performance by Kroger further solidifies the chain's repositioning program begun several years ago. The profit gains are entirely the result of performance by the food division, since the drug division had a slight decline in profits.

During the year, Kroger opened 118 new stores, a third of them in the 42,000-sq.-ft. range, and remodeled 49 stores with substantial enlargements. The chain closed 86 stores and sold 21 stores in western and northern Michigan, which has been unprofitable. In 1981, Kroger plans to open 110 new stores and remodel 62, with most in the 35,000 to 42,000-sq.-ft. range.

Another chain that floats to the top in most measurements of profits is **Fred Meyer** (Portland, Ore.). Fred Meyer gained the Number Two spot in best profit margins, Number Five in 10 biggest gainers, and Number Eight in 10 fastest gainers. But Fred Meyer is a lot more than a supermarket chain, with shopping centers and several other forms of retailing. **Winn-Dixie** is still a top performer in terms of three measurements of profits, biggest gainers, fastest gainers and best profit margins as a percent of sales.

The undisputed leader in best profit margin as a percent of sales is still **Weis Markets** (Sunbury, Pa.), with a whopping 4.83 percent, outdoing 1979's performance of 4.76 percent. Fred Meyer was second, with 2.86 percent, and **Food Town Stores** (Salisbury, N.C.) third, with 2.81 percent, although down from 3.17 in 1979.

Food Town is another consistently good profit producer, as well as a top sales performer. In 1980, the chain increased sales by 30.7 percent, surpassed only by **American Stores** which had increased sales largely as a result of the merger with **Skaggs** in mid-1979. Food Town surpassed its own spectacular growth record in 1980, adding 22 new stores, bringing the total number of stores to 106, after closing one store. Food Town plans to build an additional 20 new stores in 1981.

There were a number of other outstanding operators in fiscal 1980, including **Bruno's** (Birmingham, Ala.), and **The Cullum Cos.** (Dallas, Tex.), as well as consistently top performers, such as **Big V Supermarkets** (Florida, N.Y.). ■

THE 12 DECLINES IN EARNINGS

Chains	Earnings or Losses (000) 1980	1979	Net Decline in Earnings (000)
A&P	$−43,049	$−8,807	$−39,242
Safeway Stores	119,368	143,323	−23,955
Allied Supermarkets	5,498	19,795	−14,297
Lucky Stores	90,458	98,094	−7,636
Southland Corp.*	77,672	83,141	−5,469
Stop & Shop Co.	12,163	14,948	−2,785
Foodarama	−1,279	780	−2,059
Munford, Inc.	902	2,309	−1,407
Star Supermarkets	2,039	3,135	−1,096
Niagara Frontier Service	8,028	9,013	−985
Village Supermarkets*	110	1,004	−894
Thorofare	891	1,411	−520

* Net incomes includes extraordinary items.

SALES AND NET INCOME OF 50 TOP PUBLICLY OWNED FOOD CHAINS
Ranked by Sales Volume

Rank '80	'79	Company	Fiscal Year	Sales (add 000) 1980	1979	% Change	Net Income (add 000) 1980	1979	Net Change (add 000)	% Change	Number of Grocery Stores Operated 1980	1979
(1)	(1)	Safeway Stores	1/3/81	$15,102,673	$13,717,861	+10.1%	$119,368	$143,323	$−23,955	−16.7%	2,416	2,425
(2)	(2)	Kroger Co.*	1/3/81	10,316,741	9,029,315	+14.3	94,386	85,721	8,665	+10.1	1,245	1,234
(3)	(3)	A&P	2/28/81	6,989,529	6,684,179	+4.6	−43,049	−8,807	−39,242	DOWN	1,543	1,542
(4)	(4)	Lucky Stores	1/1/81	6,468,682	5,815,927	+11.2	90,458	98,094	−7,636	−7.8	532	509
(5)	(7)	American Stores	1/31/81	6,419,884	3,786,332	+69.6	51,553	44,434	7,119	+16.0	1,137	1,100
(6)	(5)	Winn-Dixie	6/24/81	6,200,167	5,388,979	+15.1	95,395	91,950	3,445	+3.7	1,220	1,192
(7)	(6)	Southland Corp.¹*	12/31/80	4,758,656	3,856,222	+23.4	77,672	83,141	−5,469	−6.6	6,995¹	6,920
(8)	(8)	Jewel Companies**	1/3/81	4,267,922	3,684,929	+15.8	66,685	50,686	15,999	+31.6	345	357
(9)	(9)	Grand Union	3/28/81	3,626,231	3,137,612	+15.6	34,327	30,669	3,658	+11.9	856	776
(10)	(10)	Albertsons	1/29/81	3,039,129	2,673,848	+13.7	41,621	38,323	3,298	+8.6	396	384
(11)	(11)	Supermarkets General	1/31/81	2,628,851	2,372,574	+10.8	26,067	23,460	2,607	+11.1	116	114
(12)	(12)	Dillon Co.	6/27/81	2,494,578	2,077,265	+20.1	41,688	27,397	14,291	+52.2	216	212
(13)	(14)	Stop & Shop Co.	1/31/81	2,059,183	1,878,864	+9.6	12,163	14,948	−2,785	−18.6	144	151
(14)	(18)	Giant Food	2/28/81	1,483,476	1,242,620	+19.4	18,308	17,859	449	+2.5	126	121
(15)	(17)	Fisher Foods	1/3/81	1,412,962	1,336,293	+5.7	6,703	−6,989	13,692	UP	140	150
(16)	(20)	Waldbaum's	1/3/81	1,271,624	1,103,443	+15.2	10,828	7,827	3,001	+38.3	138	136
(17)	(16)	First National Supermarkets*	3/28/81	1,230,173	1,364,797	−9.9	10,042	4,561	5,481	+120.2	169	247
(18)	(22)	National Tea	1/3/81	1,219,304	1,045,696	+16.6	14,173	13,133	1,040	+7.9	221	236
(19)	(15)	Food Fair Stores²	8/2/80	1,124,067	1,487,270	−24.4	22,505	−211,147	233,652	UP	203	213
(20)	(23)	Borman's, Inc.	1/31/81	1,000,795	905,376	+10.5	33	467	−434	−92.9	85	82
(21)	(24)	Cullum Co.	6/27/81	974,934	864,974	+12.7	13,645	11,290	2,355	+20.9	129	132
(22)	(21)	Fred Meyer ³**	1/31/81	972,818	836,001	+16.4	27,869	22,380	5,489	+24.5	66	63
(23)	(25)	Weis Markets	12/27/80	684,814	606,346	+12.9	33,091	28,880	4,211	+14.6	107	105
(24)	(26)	Circle K**	4/30/81	644,457	533,103	+20.9	16,431	16,948	−517	−3.1	1,194	1,200
(25)	(...)	P&C Food Markets	11/29/80	635,218	558,579	+13.7	3,790	3,116	674	+21.6	94	96
(26)	(...)	Allied Supermarkets	6/27/81	609,384	534,833	+13.9	5,498	19,795	−14,297	−72.2	84	88
(27)	(27)	Niagara Frontier Service	6/27/81	573,738	502,155	+14.3	8,028	9,013	−985	−10.1	125	115
(28)	(31)	Food Town Stores, Inc.	1/3/81	543,883	415,974	+30.7	15,287	13,171	2,116	+16.1	106	85
(29)	(30)	Arden Group, Inc.⁴	1/3/81	509,628	460,479	+10.7	4,221	3,467	754	+21.7	104	105
(30)	(28)	Marsh Supermarkets	3/28/81	491,610	447,436	+9.9	4,501	4,019	482	+12.0	213	205
(31)	(29)	Thriftimart, Inc.	3/29/81	473,460	431,872	+9.6	7,163	7,213	−50	−0.7	43	43
(32)	(...)	Bruno's, Inc.*	7/5/80	458,629	385,595	+18.9	8,618	6,655	1,963	+29.5	56	49
(33)	(33)	Penn Traffic	1/31/81	418,757	375,573	+11.5	6,407	6,463	−56	−0.9	68	66
(34)	(32)	Foodarama	11/1/80	412,890	413,016	0.0	−1,279	780	−2,059	DOWN	38	44
(35)	(34)	Big V Supermarket	12/28/80	407,872	357,984	+14.0	5,128	4,704	424	+9.0	27	26
(36)	(36)	Pueblo International**	1/31/81	396,600	330,773	+19.9	5,089	4,033	1,056	+26.2	41	41
(37)	(35)	Shopwell, Inc.	1/3/81	384,559	346,486	+11.0	1,125	1,060	65	+6.1	69	69
(38)	(38)	A.J. Bayless	1/3/81	368,521	319,837	+15.2	2,550	2,193	357	+16.3	61	58
(39)	(39)	King Kullen	9/27/80	359,911	318,384	+13.1	1,402	1,843	−441	−23.9	54	53
(40)	(37)	Seaway Foodtown	9/27/80	357,113	325,857	+9.6	4,587	4,757	−170	−3.6	55	53
(41)	(40	Munford, Inc.	1/1/81	313,990	292,367	+7.4	902	2,309	−1,407	−60.9	1,205	1,265
(42)	(41)	Schultz Sav-O Stores*	1/3/81	305,596	261,951	+16.7	1,585	1,871	−286	−15.3	37	36
(43)	(...)	Mayfair Super Markets	8/30/80	279,552	266,069	+5.1	422	−286	708	UP	34	36
(44)	(43)	Victory Markets	12/27/80	275,924	241,614	+14.2	719	1,037	−318	−30.7	100	88
(45)	(42)	Star Supermarkets	1/3/81	274,251	248,904	+10.2	2,039	3,135	−1,096	−35.0	41	41
(46)	(46)	Thorofare	8/2/80	272,396	218,348	+24.8	891	1,411	−520	−36.9	65	59
(47)	(44)	Mott's Supermarkets	1/3/81	264,794	234,792	+12.8	3,818	2,888	930	+32.2	25	24
(48)	(45)	Village Supermarkets*	7/26/80	245,295	232,165	+5.7	110	1,004	−894	−89.0	20	20
(49)	(48)	Laneco, Inc.	9/27/80	180,332	138,569	+30.1	1,830	2,195	−365	−16.6	25	23
(50)	(49)	Sunshine Jr. Stores**	12/31/80	151,929	120,072	+26.5	1,903	2,400	−497	−20.7	360	343

( ) Not shown on 1980 listing
[1] Number of stores includes 7-Eleven and Gristedes only
[2] Debtor in possession
[3] In 1980, the Company changed from a fiscal year ending on the Saturday nearest to December 31 to a fiscal year ending on the Saturday nearest to January 31
[4] Total company sales and net income
* Net income includes extraordinary items and discontinued operations

** These companies changed accounting methods in their most current fiscal year. For purposes of comparison, the most current fiscal year net income figures have been restated and reported. Before restatement and as reported in their annual reports, net incomes are as follows:

Jewel Companies (1/3/81) $55,893	Switched to LIFO method of inventory valuation
Fred Meyer (1/31/81) $26,618	Expanded its use of LIFO
Circle K (4/30/81) $14,363	Switched to LIFO method of inventory valuation
Pueblo International (1/31/81) $3,370	Changed to LIFO & also changed accounting for fixed assets
Sunshine Jr. Stores (12/31/80) $1,461	Switched to LIFO method of inventory valuation

GENERIC LABELS UPDATE

SAMI TRACKS TOP 10 CATEGORIES IN FOUR DEPARTMEN

The growth of generic labels in supermarkets represents a marketing phenomenon that has made believers out of most of the original skeptics.

Since their appearance in 1977, their upsurge has been consistent and relentless. SAMI, whose sales movement figures are used exclusively in this update report, now estimate that generic label volume in food stores accounts for $1.5 billion or double the year-ago sales rate for these low price, plain wrap items. This represents a share of about 1.6 percent of all food store volume monitored by SAMI, as of the year ending June 26, 1981. To skeptics and believers alike the key question is: how far will they go?

In order to shed light on how generics are faring, SAMI has tracked generic label shares of dollar volume, in the top 10 categories for each of four product universes: dry grocery: food, dry grocery: non-food, frozen foods and health and beauty aids. The report covers 12-week segments, with the reporting period ending June 26, 1981.

Dry grocery food

Generic label volume is found in all of the top 10 categories except chocolate candy bars. Among the other nine product categories current shares range from a low of .38 percent in the case of canned soup to a high of 3.02 percent for dry dog food. Because of lower prices for the plain wrap items, their shares of pound and unit volume are higher than expressed in dollars. Generics now account for close to six percent of poundage of dry dog food. In three of these high volume categories, regular and instant coffee and canned tuna, it would appear that generic label penetration may have peaked.

The most consistent growth, 12 weeks by 12 weeks, is seen in the dry dog food category. A major portion of the gains for generics over the past year can be attributed to an increase in the number of food operators handling these lines. However, growth from additional distribution is expected to wane in the future, inasmuch as most of the major retailers are already handling generics. (See SUPERMARKET BUSINESS, September, 1981).

Dry grocery — non-foods

Generics now account for nearly $300 million among the top 10 dry grocery: non-food categories. In three of these, toilet tissue, household plastic bags, and paper towels, their most recent 12-week shares exceed five percent. Calculated on a unit basis, generics shares of light duty liquid detergents and facial tissue were also above the five percent level. The lowest level of penetration among the highest volume categories is found among hand & bath soaps (where regular private label has also been traditionally weak). The only category in which current 12-week penetration level is lower than a previous period is for household plastic bags. However, expressed in number of bags, their 12-week share exceeded 10 percent.

Frozen foods

Perhaps as a result of freezer space limitations, generics were slow to appear in major frozen food categories, and among the top 10 categories there are only three where their shares exceed one percent of dollar volume: frozen orange juice, frozen potatoes and frozen pot pies. There were no generic label frozen regular dinners until the most recent 12-week period. There is very little generic label activity among frozen sweet goods, frozen dessert pies and frozen single dishes. This is not surprising, since regular private labels have never made serious inroads into specialty prepared foods.

Health and beauty aids

As of June 26 of this year, generic labels had not attained important volume among the top 10 health and beauty aid categories. Their current level is just under one percent among shampoos and mouth wash. Their volume is inconsequential in the cough

Continued on page 35

Top 10 Generic Labels By Product Category

Total Annual Dollar Volume

(Period ending June 26, 1981)

DRY GROCERY: FOOD

CATEGORY RANK IN 1980 ANNUAL VOLUME	CATEGORY	52-WEEK GENERIC LABEL DOLLAR VOLUME $ '000	52-WEEK GENERIC LABEL SHARE OF DOLLARS	SHARE 12 WEEKS ENDING 9/19/80	SHARE 12 WEEKS ENDING 12/12/80	SHARE 12 WEEKS ENDING 3/6/80	SHARE 12 WEEKS ENDING 6/26/81	GENERIC CURRENT 12-WEEK % SHARE POUNDS	GENERIC CURRENT 12-WEEK % SHARE UNITS
1	REGULAR COFFEE	17,070	0.7%	.67%	.67%	.66%	.68%	.88%	.81%
2	READY-TO-EAT CEREAL	12,622	0.4	.23	.31	.51	.61	.90	.78
3	INSTANT COFFEE	5,732	0.4	.33	.35	.39	.40	.57	.36
4	GRANULATED SUGAR	29,512	1.7	1.15	1.68	2.06	1.90	2.15	1.99
5	DRY DOG FOOD	34,021	2.3	1.59	1.94	2.52	3.02	5.78	2.58
6	CANNED TUNA	10,192	0.7	.67	.74	.80	.76	.92	1.01
7	CANNED SOUP	3,446	0.1	.21	.20	.32	.38	.51	.55
8	COOKING & SALAD OILS	25,603	2.5	2.32	2.43	2.56	2.75	3.94	3.13
9	CHOCOLATE CANDY BARS	—	—	—	—	—	—	—	—
10	WET DOG FOOD	13,679	1.8	1.50	1.69	1.90	1.93	3.54	3.34

FROZEN FOOD

RANK IN 1980	CATEGORY	52-WK VOLUME $ '000	52-WK SHARE	SHARE 12 WKS 9/19/80	SHARE 12 WKS 12/12/80	SHARE 12 WKS 3/6/81	SHARE 12 WKS 6/26/81	12-WK SHARE POUNDS	12-WK SHARE UNITS
1	FROZEN ORANGE JUICE	22,802	1.72%	1.00%	1.10%	1.45%	3.05%	3.49%	2.97%
2	FROZEN SINGLE DISHES	1,348	.12	.07	.09	.11	.19	.40	.42
3	FROZEN FISH	1,555	.21	.01	.05	.08	.61	.85	.60
4	FROZEN PIZZA	4,430	.57	.20	.45	.57	.92	1.38	1.59
5	FROZEN POTATOES	4,115	.78	.46	.55	.68	1.22	2.07	1.12
6	FROZEN REGULAR DINNERS	734	.15	0	0	0	.46	.71	.80
7	FROZEN SWEET GOODS	300	.07	.02	.08	.10	.09	.18	.20
8	REFRIGERATED & FROZEN TOPPINGS	948	.37	.34	.27	.38	.46	.69	.53
9	FROZEN DESSERT PIES	219	.09	.04	.09	.13	.08	.11	.08
10	FROZEN POT PIES	4,219	2.03	1.57	1.93	2.13	2.21	3.68	3.92

DRY GROCERY: NON-FOOD

RANK IN 1980	CATEGORY	52-WK VOLUME $ '000	52-WK SHARE	SHARE 12 WKS 9/19/80	SHARE 12 WKS 12/12/80	SHARE 12 WKS 3/6/81	SHARE 12 WKS 6/26/81	12-WK SHARE-POUNDS	12-WK SHARE-UNITS
1	HEAVY DUTY DETERGENTS	$32,872	1.5%	1.24%	1.37%	1.53%	1.64%	2.43%	2.56%
2	TOILET TISSUE	74,124	4.5	3.67	4.26	4.62	5.19	N.A.	7.46
3	DISPOSABLE DIAPERS	14,295	1.2	.83	.95	1.26	1.46	1.95*	1.01
4	PAPER TOWELS	59,070	5.1	4.09	4.67	5.37	6.23	9.89*	8.40
5	HOUSEHOLD PLASTIC BAGS	56,190	5.9	4.86	5.75	6.52	6.22	10.26*	8.18
6	SOAPS-HAND & BATH	3,155	0.4	.27	.33	.41	.43	.66	.64
7	LIGHT DUTY LIQUID DETERGENTS	18,111	2.5	2.30	2.40	2.55	2.87	7.38	5.42
8	FABRIC SOFTENERS	14,739	2.6	2.38	2.40	2.70	2.88	7.77	4.08
9	FACIAL TISSUE	23,864	4.5	4.03	4.41	4.41	4.95	7.89	6.67
10	ALL PURPOSE CLEANERS	13,115	0.8	.58	.68	.81	.98	1.56	1.55

*COUNT RATHER THAN POUNDS

HEALTH & BEAUTY AIDS

RANK IN 1980	CATEGORY	52-WK VOLUME $ '000	52-WK SHARE	SHARE 12 WKS 9/19/80	SHARE 12 WKS 12/12/80	SHARE 12 WKS 3/6/81	SHARE 12 WKS 6/26/81	12-WK SHARE-POUNDS	12-WK SHARE-UNITS
1	SHAMPOO	4,326	.82%	.72%	.77%	.81%	.88%	3.53%	1.85%
2	TOOTHPASTE & POWDER	1,350	.28	.24	.26	.28	.32	.72	.49
3	INTERNAL ANALGESICS	1,561	.33	.25	.30	.37	.40	N.A.	.75
4	RAZOR BLADES	574	.23	.20	.10	.23	.35	N.A.	.55
5	COUGH REMEDIES	21	.01	0	0	.01	.02	N.A.	.02
6	HAIR CONDITIONING RINSES	881	.40	.26	.36	.45	.47	2.03	.96
7	ANTACIDS	108	.05	.02	.06	.07	.06	N.A.	.05
8	MOUTH WASH	1,534	.82	.83	.80	.74	.88	3.01	1.63
9	SPRAY DEODORANTS	127	.06	.08	.09	.07	.06	.25	.10
10	COLD TABLETS	8	*	0	*	*	.02	N.A.	.05

N.A. = NOT APPLICABLE

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ly used names (London Broil, chuck steak, etc.).

The label also lists appropriate cooking methods. Marketplace Labels offers a poster that explains the system to the shopper. Contact: *Marketplace Labels, Food Marketing Div., 500 Third St., Minneapolis, Minn. 55415.* ■

EYE SHADOW PACK HAS TWO COLORS

L'erin Cosmetics has introduced *Color True/2*, an eye shadow compact with two colors. L'erin claims that 40 percent of women who use eye shadow wear more than one shade at a time. The product is available in six color combinations. It is packaged in a burgundy see-through compact with a sponge tip applicator. Suggested retail is $2.75. An introductory promotional display is available. Contact: *L'erin Cosmetics, P.O. Box 57, Winston-Salem, N.C. 27102.* ■

'NATURAL' HBA LINE OFFERED

Natural Life is a line of hair and skin products stressing natural ingredients without alcohol or artificial colors.

The line includes shampoos, hair conditioners, moisturizing cremes, and hand and body lotions. The products contain "natural" ingredients such as henna, aloe vera, vitamin E, and jojoba.

The products are packed in a free standing display measuring 12" × 18" and standing 72" high. The display contains 12 units of each product, trial size packages, and a pump display tester for the hand and body lotion. Contact: *P. Leiner Nutritional Products, Inc., 1845 W. 205th St., Torrance, Calif. 90501.* ■

Generics
Continued from page 35

remedies and cold tablets categories. Generic shares of spray deodorants have fallen over the year and do not seem to be building momentum among dentifrices. Except for vitamins and external analgesics, private label brands have never achieved important franchises in health & beauty aid categories. It would seem unlikely that generics will run counter to these historical trends.

Generic labels have carved out a respectable niche for themselves on food store shelves. They may very well stand the test of time and become a permanent fixture as an attraction for price conscious shoppers. However, in some categories their growth rate is declining. In others where high product quality is an important consideration, they may never become a serious threat to branded merchandise. ■

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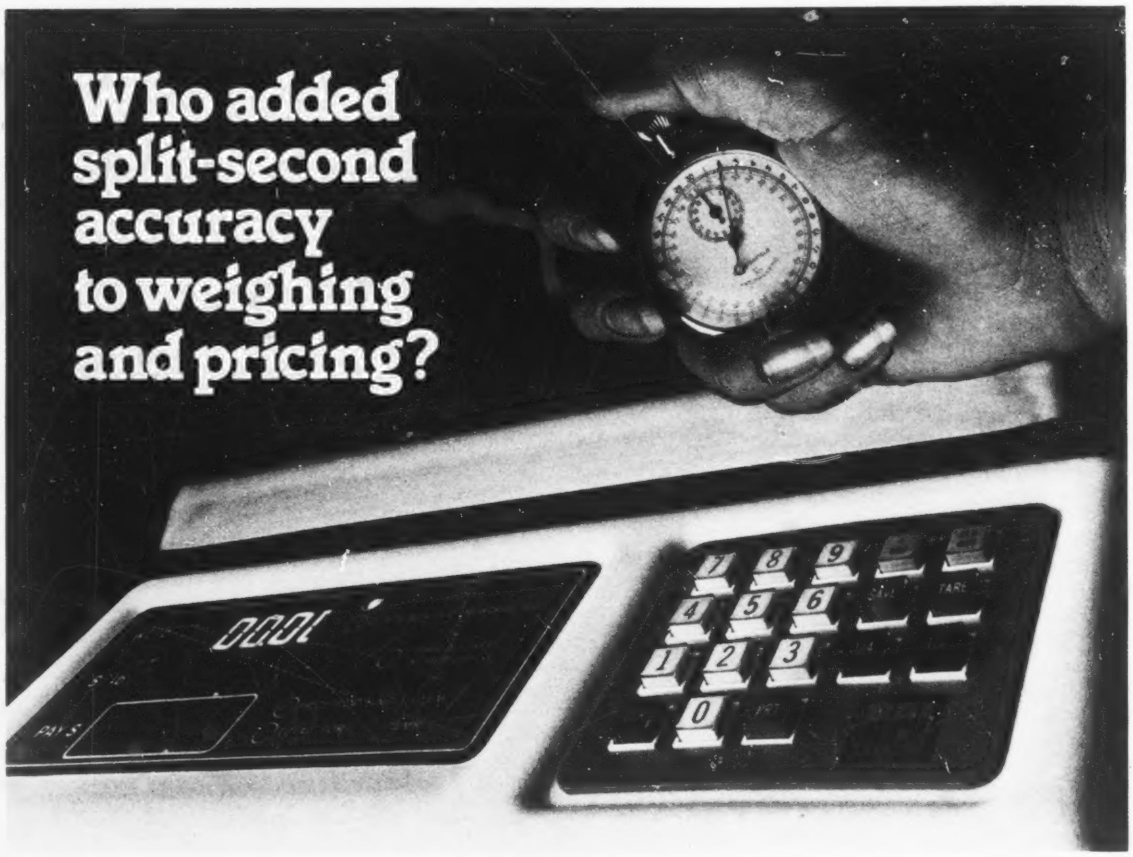

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